



THE INDEPENDENT

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A nation takes to the streets to protect its children



Clutching white balloons, flowers and ribbons as symbols of purity, Belgians marched in their hundreds of thousands yesterday, united in grief at the murder and abuse of children and their anger at the weak, corrupt state which let it happen, *Michael Streeter writes*. For once the country's political divisions were put to one side as six girl victims - four dead, two rescued alive from their dungeon prison - were remembered. "Today we have no Flemish or Walloons. We are all together," said Brigitte de Sterhe, 49, a diplomatic official from Brussels, and one of an estimated 325,000 on the demonstration.

But alongside the sadness, the "White March" through Brussels was driven by an overwhelming sense of anger at an establishment seen as culpable. The paedophile affair is just the latest in a series of scandals involving bribery and corruption, mysterious murders and government cover-ups; and now the country has simply had enough. "Ashamed to be Belgian," one banner said.

The march was the culmination of a week of protests which erupted after the investigating magistrate, Jean-Marie Connerotte, was removed for accepting a meal from a group involved in missing children. Photograph: AP

Murdoch in £4bn bid to control FT

Matthew Horsman
Media Editor

Rupert Murdoch is planning to extend his grip on the British media in a deal worth well over £4bn to buy the company that controls the *Financial Times*, Penguin Books and Thames Television.

The audacious bid, to be mounted through his 40-per-cent-owned UK satellite broadcasting company BSkyB, is for control of the Pearson Group. It is being discussed internally at BSkyB and would add dramatically to Murdoch's already stellar collection of British media assets, which include *The Times*, *The Sunday Times*, *The Sun* and the *News of the World*.

The move would signal a revival in Mr Murdoch's interest in Pearson - in which he built up a 20 per cent stake, since sold, in the 80s. It would also set off alarm bells in Parliament and among regulators.

BSkyB's executives, including chief executive Sam Chisholm, are convinced that regulators would be powerless to intervene because their business is majority owned by European-based companies and investors.

But critics of BSkyB expansion point out that it is staffed by senior Murdoch appointees - including Mr Chisholm and Elizabeth Murdoch, Mr Murdoch's 28-year-old daughter.

They add that control of the *Financial Times* would be a step too far for the press baron, whose newspapers already account for more than 30 per cent of national newspaper circulation. There would also be questions about control of a terrestrial television station, Channel 5, in which Pearson has a 24 per cent interest.

The bid preparations, which are at an early stage, are believed to have been mounted in co-operation with a US-based media company. Analysts speculated yesterday that a leading book publisher could be involved. It is understood that BSkyB would sell Pearson's theme parks and its educational publishing interests if it succeeded in its bid.

BSkyB, which is worth more than £12bn, has proved to be one of Mr Murdoch's biggest successes. It nearly bankrupted him in 1990, but BSkyB survived to become the 14th biggest company in Britain and the near-monopoly supplier of pay-TV programming. It has also expanded aggressively on the continent, taking a leading role in the development of digital satellite television in Germany.

Mr Chisholm is understood to be interested in expanding the company's range of British programming, and is particularly attracted by the production



Churches back Labour

Paul Valley

The Church of England is to give its backing to a controversial document to be launched by Roman Catholic bishops today in a deliberate attempt to influence the outcome of the general election.

The document, branded as supporting Tony Blair's New Labour party, is an unprecedented foray into British politics for the Catholic Church.

In it, bishops back a statutory minimum wage, demand a more positive attitude to Europe and suggest the country needs a Bill of Rights or other strengthening of civil liberties. All are proposals which coincide with Labour policy or instincts.

Though it begins by insisting that it is not an attempt to instruct the nation's five million Catholics to vote for one particular party, the document acknowledges its detailed proposals will cause controversy.

"The broad thrust of it is something that will warm the hearts of most Anglicans," said Dr Andrew Purkis, the Archbishop of Canterbury's secretary for public affairs, one of the few outsiders to have seen the 13,000-word document. "It is a wonderful exposition. We'd see ourselves as completely at one with its approach."

It may receive backing from other churches, too. One leading Methodist has described Catholic social teaching as "the only show in town".

The document comes amid debate about the role of religion in politics, with the Prime Minister speaking for the first time of his "simple" faith. John Major's remarks follow Tony Blair's identification earlier this year of New Labour with Christianity.

The document constitutes a full-blooded attack on the legacy of Thatcherism. Tory policies, the bishops say, have unacceptably widened the gap between the rich and the poor, created a contract culture in which redundant workers are treated as commodities, and have undermined the public service ethos and sense of vocation in social services.

More specifically, the bishops suggest that internal markets have proved inappropriate in health and education, where they penalise the sick and the vulnerable.

But the bishops go further to

the Labour New Labour when they call for laws to force employers to recognise trade unions in the workplace.

The document has been issued with full authority of the Bishops' Conference of England and Wales and has the backing of Cardinal Hume. It is being sent to the 3,500 priests in their jurisdiction, strongly urging them to preach on it every week for six weeks in the run-up to the election.

The teaching is not optional; it is an integral part of Catholicism, the bishops say.

The bishops also want study groups to be set up in every parish to consider the document, and have sent out detailed study packs to facilitate this.

"The timing is significant," said Rt Rev David Konstant, the Bishop of Leeds, who is chairman of the conference, conceding that the aim was to influence debate in the run-up to election. "But it is sufficiently distanced (from the voting) to allow people to consider the issues properly."

Entitled *The Common Good and the Catholic Church's Social Teaching*, it draws on a century of social doctrine which, the bishops insist, places them above party politics. Asked whether others, especially Tory politicians, might disagree, Bishop Konstant replied: "I'm sure that is the case".

The report insists that the Government must concern itself with relative, not just absolute, poverty. The creation of an "under-class" as the by-product of running the economy to benefit the majority is unacceptable.

Unemployment, contrary to Norman Lamont's suggestion, is never a price worth paying. Nor is it morally acceptable to allow wages to fall below a de-



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Major set for collision over 'Maastricht 2'

Andrew Marshall
Anthony Bevins

Maastricht 2, the European Union's new draft treaty, includes a series of policies which would be entirely unacceptable to the Government, raising the prospect of complete deadlock in Europe until after next year's election.

Proposals covering employment, judicial affairs and human rights would all be unacceptable to the Conservatives as they stand. The treaty is currently under negotiation in the EU's Intergovernmental Conference, which resumes in Brussels today. So irritated are other states at Britain's intransigence that they are also planning ways of moving ahead without Britain if necessary.

There are three broad areas where the proposed treaty will face outright opposition from London. The first is employment. Most European states, alarmed by the rise in joblessness, are intent on putting in a new chapter that would aim to boost employment and coordinate policy across Europe. It would create a new EU em-

would outlaw discrimination on grounds of race, sex, national or ethnic origin, disability, age, sexual orientation, religion or social origin and add a new policy of creating equality between men and women.

The third area of contention is Justice and Home Affairs, which covers immigration, the fight against crime and legal matters. The draft treaty would again boost the role of the European Court of Justice and the Commission, and introduce majority voting in some areas. It would create a new treaty article covering "Freedom, Security and Justice" which would cover asylum, immigration, the fight against drugs, fraud, and attempt to make Europe's legal systems more compatible.

There is much in the treaty proposals that Britain can accept. The section on foreign policy is largely adapted from British proposals. Though there are some ideas on defence that Britain will not accept, it seems likely to win its arguments in this area. John Major has said that he will strongly resist any attempt to create new powers for Europe, even if that means

wielding the British veto to block all progress of a new treaty. The Tories believe they will gain vital electoral support by pursuing a hard line against Brussels, while portraying Labour as poodles of Europe.

Mr Major is now set on a collision course that will run right through to next year's election. Officials meet in Brussels today to discuss the proposed amendments, and ministers will discuss them next Monday. They will be put into a new draft treaty by the time of the second Dublin summit in December, followed by further detailed negotiations leading to a concluding Treaty summit in Amsterdam, scheduled for June 1997.

But one leading Tory told *The Independent* last week that Mr Major would also use the forthcoming battle - in defence of British sovereignty - as a means of countering the public perception that he is "a weak leader." Labour sources are sceptical about the impact of that ploy, noting that Mr Major's "tough" stance on BSE ended in retreat.

The EMU debate, page 8
Leading article, page 13



Major: Prepared to use veto to block progress of treaty

QUICKLY

Newcastle triumph
Newcastle United yesterday went three points clear at the top of the Premiership after a comprehensive 5-0 victory over Manchester United at St James' Park. The England strikeforce of Alan Shearer and Les Ferdinand were both on target in the rout. Manchester United's heaviest defeat since 1984.
Full report in Sport Section

Therapy shock
A "de-briefing" therapy which requires accident victims to relive the horror of their experience exposes them to greater risk of serious trauma, psychiatrists have found.
Page 5

Cost of fat cats
The salary bill for Britain's privatised boardrooms has risen by £25m since the companies left the public sector.
Page 6

Labour library pledge
Public libraries will be given lottery money to repair decaying buildings and construct new ones if the Labour Party wins power.
Page 2

Democrats' challenge
With President Bill Clinton's lead over his Republican challenger, Bob Dole, seemingly unassailable, the focus of the US election campaign is switching to whether Democrats can achieve a clean sweep by recapturing the House and, more difficult, the Senate.
Page 11

Bar code.

Altogether more interesting bar code.

Bar's BEST SELLING PREMIUM CASK ALE SINCE 1777

news

Labour plans boost for libraries

Marianne Macdonald
Media Correspondent

Public libraries will be given lottery money to repair decaying buildings and construct new ones if Labour gains power, in a move which could halt the decline of the library service. Labour would also impose much tighter limits on the profits which can be pocketed by Camelot if the lottery company wins a second licence. This year its profit was £51.1m after tax, a sum which provoked bitter criticism.

However, the party has accepted that the lottery could be run by a profit-making body, which increases Camelot's chance of renewing its seven-year contract. Chris Smith, formerly Labour's spokesman for Heritage, had insisted the next lottery operator would be non-profit-making.

The proposals have been drawn up by Labour's lottery review committee. Chaired by Jack Cunningham, the spokesman for Heritage, its members include film-maker David Putnam and Helena Kennedy QC. Mark Fisher, Labour's spokesman for the arts, told *The Independent*: "We will be requiring much tighter contracts to operate the lottery than the present Government's, which we think were ludicrously lax, with profit margins which were far too big." He added: "The existing contract is incompetent and naive."

The lottery report, to be published next month, appears certain to give public libraries the power to apply for capital funding. At present they are largely forbidden from lottery largesse. They will also be able to apply for revenue funding for information-technology systems, although not for core services such as book buying. "We recognise it is wrong to exclude libraries," Mr Fisher said.

The move will be welcomed by campaigners, who have long attacked the widespread closure of branch libraries and cuts in opening hours. The Labour report is also expected to advocate redirecting the lottery money which goes to the Millennium Commission to children's play areas, multi-media education, arts education, and home insulation.

The new streams may be eligible for lottery funding for a fixed five-year term, after which new areas will be chosen. But if they win popular support the party would also consider "slicing off" the top from other lottery streams which, under present legislation, go equally to arts, sport, charities and heritage.

In an amplification of proposals floated by the Labour leader Tony Blair at Blackpool, Mr Fisher added that giving lottery funds to arts education was part of a policy drive to raise quality. Primary and secondary schools will be required to publish a statement on their arts and music provision at the start of each educational year so that parents can compare the differing amounts offered at various schools.

Test case to challenge race laws

A black man who was found guilty of robbery by an all-white jury was denied a fair trial, human rights judges will be told in Strasbourg today. The landmark hearing could force changes in British laws on race equality, if the court backs the case brought by David Gregory, who was sentenced to five years in jail in 1990. He says the judge at his Manchester Crown Court trial ignored complaints of racial prejudice among the jury - breaching his rights to a "fair and impartial hearing", safeguarded by the European Convention on Human Rights to which Britain is a signatory. The judges will deliver the final verdict later this year.

Plans for new police helmet are 'daft'

Plans to replace the traditional policeman's helmet with a "cycling hat" were criticised yesterday, with one police group claiming officers would not wear the controversial headgear. Police chiefs are considering a number of changes to uniform, with the helmet at the top of the list. Plans include a curved helmet with a built-in eye shield and radio link. They are only proposals at the moment, said the Association of Chief Police Officers. The proposals have drawn fierce criticism from the Metropolitan Police Federation. "It's daft," said a spokesman. The traditional helmet dates from 1863 and is based on a design used by the Prussian Army.

Bridge attack driver 'stable'

A motorist whose chest was crushed when a concrete block was dropped on his car from a bridge on the M3 in Hampshire was said yesterday to be "very, very stable". The family of Simon Willmott, 22, has been warned that he has only a "50-50" chance of survival. His sister, Julie Brooksbank, said: "Each day is another day, every hour is a bonus." Detectives say they are treating the case as attempted murder. A 16-year-old youth who had been questioned since Friday about the incident was released on bail on Saturday night.

Everest body may be Briton

The body of Joe Tasker, who disappeared 14 years ago while attempting to scale Everest, may have been found just below the summit by members of a Japanese expedition Mr Tasker, 34, was last seen, along with his partner, Peter Boardman, in May 1982. The pair were on an expedition led by Chris Bonington, who saw them last at 27,000ft. Yesterday he was still not convinced the mystery surrounding the last days of the men had been solved. "Obviously, it would be lovely if the whole thing could be settled. It would be good for everyone who knew Joe and Pete," he said.

Teenager dies after beating

A teenager died in hospital yesterday, hours after he was severely beaten by a gang of youths. Anthony Savage, 16, of Nile Path on the Woolwich Common estate, south-east London, was involved in a row with another group of youths while out with friends on Saturday night. Five youths were being questioned by police last night.

Shrimps 'put off' breeding

Shrimps in The Wash are being put off sex - by noisy dredgers which disrupt their romantic moments. Norfolk Labour MEP Clive Needle is urging the EU to afford protection to the breeding grounds. "Catches have slumped from over 800 tonnes to just 50 tonnes."



Not in my back yard: Environmentalists and ex-miners demonstrating against open-cast mining yesterday in the grounds of Mr Heseltine's country house Photograph: PA

Protesters invaded the country estate of Deputy Prime Minister Michael Heseltine yesterday and dug a hole in his picturesque front garden. The 10ft square hole, sign-posted Heseltine's Bore, was dug by nearly 50 people, some armed with shovels and pickaxes, in the garden at Thenford Hall, Northamptonshire. The group, including environmentalists, ex-miners and members of the pressure group,

No Opencast Mining, left Mr Heseltine's land around 11am. Although they assured police officers that the turf would be replaced before they left, it was not. It is not known whether Mr Heseltine witnessed the protest, but it is understood he was at the house for lunch. Northamptonshire Police

said it was a "peaceful protest" with no arrests and there were no plans to prosecute anyone. Protest organiser, Steve Parry, said the group wanted to dig a borehole on Mr Heseltine's land after cuts in the deep mining of coal had led to a growth in open-cast mining which was ruining the environment.

A spokeswoman for the Deputy Prime Minister said: "He has absolutely no comment to make." One miners' supporter, Terry Hutt, 62, from Essex, said: "We just wanted to highlight some of the things Mr Heseltine has done. Lots of people don't like it."

Mr Parry said: "We want to show Michael Heseltine in detail what happens to local community public spaces when permission is granted for an open-cast mine." The demonstration was co-ordinated by the London-based MSG Associates (Miners Support Group), which said in a

statement that the protesters had turned Mr Heseltine's Northamptonshire retreat "into an open-cast mining site". Campaigners have lodged a planning application to develop an open-cast mine on the site, and claim the borehole is needed to test water levels before further work. Mr Parry said he believed Mr Heseltine had written to Northamptonshire County Council to "fiercely oppose" the plans.

Heseltine protesters dig in

Lib Dems snubbed over referendum strategy

Anthony Bevins
Political Editor

Labour will reject a Liberal Democrat call for three referendums - on Scots and Welsh devolution, and electoral reform - to be staged on a special Democracy Day soon after a Labour government took office. Senior Liberal Democrats have come up with the Democracy Day plan to overcome expected public resistance to a series of referendum votes being planned by Labour: on devolution, electoral reform and, possibly, the single European currency. They believe that by consolidating the devolution and electoral reform votes into one "big bang" event, they might be able to inspire a higher turn-out by selling it as a unique chance to decide on the way democracy works.

No formal proposal has yet been put by the Liberal Democrats to the Labour leader-

ship, but one well placed Labour source said last night that it was not a runner. If elected, Labour is planning to stage the devolution referendums, in Scotland and Wales, within a few months of taking office. The source said there was no question of Labour being ready to stage an early referendum on electoral reform, which would be too controversial to get through the party and Parliament at high speed. Even Labour sources sympathetic to electoral reform said yesterday that the party leader, Tony Blair, might need to set up an electoral commission to decide the reform options that should be put in the electorate. Nevertheless, Labour supporters of electoral reform argue that once a Scottish parliament has been created, the House of Lords reformed, and British elections to the European parliament have been switched to proportional representation, the

Commons will be one of the few institutions left working on the first-past-the-post system. Saturday's Referendum Party conference, an event with a strong English nationalist flavour, was notable for the ignorance of grass roots members about the aims of the party. Sir James Goldsmith - creator, leader, financial backer, and candidate - told the conference at Brighton that the British people held four principal views about Europe. "They are: that we should become an integral part of a federal Europe," he said, "or be part of a family of sovereign European nations which would co-operate when we can do things better together than separately; or that we should return to being a member of the European Free Trade Association; or, that we should just get out."

He said the party wanted a referendum which would accommodate such options.



Sir James Goldsmith: Four principal views about Europe

But a majority of the 50 party members questioned by *The Independent* appeared not to be aware of these options. They said they either wanted to get out of the European Union at once - or expected that to be the outcome.

Community work the best penalty for vice, say police

Jason Bennetto
Crime Correspondent

Police chiefs are calling for changes in the law to allow convicted prostitutes to do community work instead of being fined or jailed. They also want tougher penalties for kerb-crawlers. The recommendations, in a review of police policy on prostitutes, follow recent calls by several chief constables for the legalisation of brothels. The reassessment of the police's approach also suggests a change in attitude towards child prostitutes, whom the review believes should be treated more as victims than offenders. Those views are likely to anger some conservative and right-wing groups who are becoming increasingly hostile to the apparent liberalisation of the police's attitude to prostitution. The review was led by

Assistant Chief Constable Tim Brain of West Midlands police, spokesman on prostitute issues for the Association of Chief Police Officers during the past year. Mr Brain said of fining prostitutes caught soliciting: "All this does is encourage women to go back on the streets to earn the money for the fines." "The working group recommends that there could be community-based penalties for taking part in prostitution," he said. "You could get a community service order as an alternative to a custodial sentence. To have a community service order on top of or instead of a fine is an unprecedented step. I think there is a lot to be said for it as it would help break the cycle of re-offending."

It is unclear what type of work the prostitutes would be expected to do but it could include working on charitable or community projects. Mr Brain

added that it would need the support of the judiciary and probably a change in the law. Another of the proposals by the working group, which have received the backing of Acpo's general purpose committees and will be considered by its ruling council this week, is to give officers the power to arrest kerb-crawlers. At present men caught kerb-crawling can only be summoned to appear at a police station at a later date and police find it extremely difficult to force them off the street. Mr Brain said: "We want an unequivocal power to arrest kerb-crawlers. This would deter men but also place male clients on the same footing as the prostitutes. At the moment the law discriminates against prostitutes, which seems unfair. They should be treated equally."

The Home Office is known to be sympathetic to the police's desire to have powers of arrest for kerb-crawling.

On the question of child prostitutes, the police and other services should be looking at it as "a problem of care and welfare rather than offences and punishment", Mr Brain said. He believes that under-16s who become involved in vice should be considered more as victims. "It's getting young people out of a cycle of abuse and deprivation. Most get into vice because they run away from home, have been abused or develop a drug habit. We need to look at developing a range of strategies to help them change their lifestyle." The working group, which has been consulting social services and the Children's Society, is carrying out further research. Mr Brain does not believe legalising brothels is the correct way forward and has not recommended it. But he said that it was important for the police to examine how they dealt with prostitution.

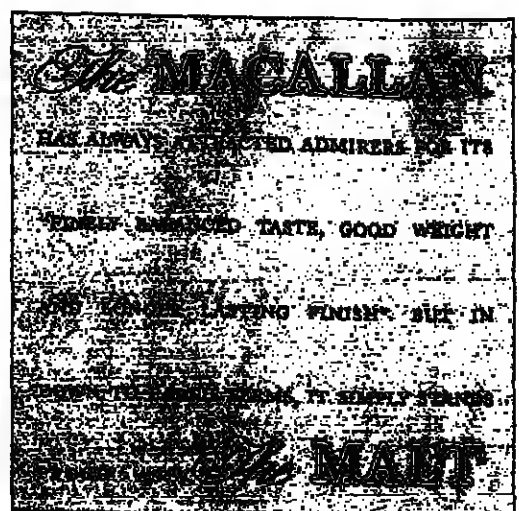
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Tories bounce back: Labour welcomes 'warning against complacency' as party goes all out to woo celebrity supporters

Blair unfazed by setback in opinion poll

John Rentoul
Political Correspondent

Tony Blair's office yesterday welcomed an opinion poll showing a dramatic fall in Labour's lead, saying "we're not complacent and this will help get that message across".

But analysis of recent polls suggests that the cut in the Labour lead from 23 to 14 points, in NOP polls two weeks apart, is unlikely to be borne out

in other polls over the next few weeks.

Conservative strategists argued that the poll was a "turning point" which reflected economic good news finally feeding into Tory popularity.

But Professor David Sanders of Essex University said it was "much too early" to say whether this was the case. He said that the usual indicators of economic well-being had ceased to predict levels of Tory support

when Britain was forced out of the European exchange rate mechanism in September 1992.

Over the past year, despite low inflation, falling unemployment and big tax cuts, Tory support has been drifting only slowly upwards.

Chris Patten, the Tory chairman who ran the 1992 election campaign, responded cautiously to the poll, describing the question of whether the Tories could restore the "umbilical link" be-

tween economic and political recovery as the "key ingredient".

Now the Governor of Hong Kong, Mr Patten said on BBC Television: "If I was either Tony Blair or John Major that would be the issue that would most interest me."

Professor Sanders - whose computer forecast of the last election was accurate within 0.2 per cent - says that, since the exchange rate mechanism debacle, there has still been a close

relationship between people's perceptions of the economy and their voting intentions.

And the evidence is that the electorate's perceptions are not changing dramatically. In particular, according to Professor Sanders, the Tories need more people to think they would be better than Labour at handling economic difficulties.

On Gallup's latest figures, Labour's lead on this question widened from 16 points to 21

points at the beginning of this month. It needs to be turned into a Tory lead of more than 6 points if John Major is to stay in Downing Street, Professor Sanders says.

The second requirement for a Tory win is that more voters have to become confident their family will be better off over the next year - the traditional measure of the "feelgood" factor.

Again Gallup's most recent figures have moved in the wrong

direction for the Government. Even to forecast a hung parliament requires "heroic" assumptions about a transformation in the electorate's views, Professor Sanders said.

The NOP poll for yesterday's *Sunday Times* - taken last Thursday - put Labour on 47 per cent, the Tories on 33 per cent and the Liberal Democrats on 14 per cent.

This marked a sharp change from a poll taken, again on a sin-

gle day, two days after Mr Blair's conference speech. But it was not so out of line with the previous NOP poll, which gave Labour a 19-point lead in mid-September.

A Gallup poll taken before and after Mr Blair's speech showed a similar "bounce", with the Labour lead widening by 8.5 points.

If yesterday's NOP poll shows anything, it suggests this was a temporary phenomenon.

Stars on parade as the model army bids to hold ranks

John Rentoul

Even if the clouds parted to reveal a celestial "New Labour, New Life for Britain" pledge card, most voters are likely to glance up only briefly and press on, mumbling "Not today, thank you".

In this sceptical age, it takes an endorsement from a role model of real influence to make the average voter think twice before reverting to the Tory fold when the pollsters are not looking.

The hard-nosed officials around Tony Blair are much more interested in cultivating leaders in the business, football and pop worlds than in the churches.

Business stars come first, which is why the Labour leader's aides invest so much time in Richard Branson, the Virgin boss who has his own reasons for hoping a Labour government would give him the National Lottery or back his airline against British Airways.

So far, Mr Branson has said polite things about Mr Blair, but many suspect that he is saving his formal backing for the election campaign. The same goes for the former Liberal Democrat Anita Roddick, the only woman business leader many people have heard of.

Endorsements already in from corporate bosses include: David Sainsbury, Sir Terence Conran, George Soros (the Man Who Broke Sterling), John Moores (a family director of Littlewoods) and Alec Reed of Reed Personnel Services, who hasn't voted Labour since 1964.

The company bosses that matter most to Labour are of course those who own media organisations, and Mr Blair has had stunning successes in wooing Rupert Murdoch - now poised to expand his empire to take in the *Financial Times* - and Lord Rothermere (the *Mail*

and London *Evening Standard*). Lord Hollick, owner of the *Express*, is already on board.

After business, a historic Labour weakness, Mr Blair's press secretary Alastair Campbell, a Burnley supporter, gets most excited by Labour-voting footballers. This has always been one of Labour's strongholds, and a useful way to earn street cred among young males. In the case of Ryan Giggs, who donated his FA Cup-winning shirt to a Labour fund-raising auction, it could work for young females too. Eric Cantona may

'Celebrity endorsement makes no difference, but we would look very sad if we did not have any'

not have a vote in the general election, but if he can sell Eurostar tickets maybe he can sell New Labour. He too donated his shirt, and his manager, Alex Ferguson, has also backed Mr Blair.

Matthew Harding, co-owner of the Prime Minister's team, Chelsea, gave £1m, and Kevin Keegan, manager of the would-be Prime Minister's team, Newcastle United, won't say how he will vote, but Mr Blair is a "breath of fresh air".

Popular music is a trickier kettle of worms, as Mr Blair's awkward appearance at the Brit awards earlier this year demonstrated.

Noel Gallagher of Oasis, whose brother insulted the £1,000-a-table audience, tells

next month's Labour Party magazine that Mr Blair's conference speech "brought tears to my eyes".

Alan McGee, boss of Oasis's record label, Creation Records, added at the weekend: "Both Creation and Oasis are keen to support Labour in any way they can."

Damon Albarn, lead singer of Oasis, rivals Blur, also wants to get Tony in. But a joint Oasis-Blur concert to raise funds for Labour? "Pure speculation."

The *Sun* last week devoted a whole page to the political thoughts of Mick Hucknall of Simply Red. "I'm not one of those luvvies who will jump on stage and say 'Vote Labour'," he said. He just takes up his word processor and writes it.

The trouble with prominent supporters, luvvies or not, is that they tend to pronounce on policy. "I would be quite happy for people in my earnings bracket to pay 10 per cent more tax," he went on. "Another 10 per cent of what I earn is a hell of a lot of money, but I would feel that under Labour it would be spent on improving the country I love."

Mr Blair's press secretary is officially against luvvies in any case, but that hasn't stopped Jeremy Irons, Sinead O'Shaughnessy, Michael Jackson (Inspector Wexford), Ruth Rendell (Wexford's author), Richard Wilson (One Foot in the Grave) and Clive Dunn (Dad's Army) from signing up for the cause.

Then there are the endorsements from lifelong Tories who happen to be famous. Alan Howarth, the only MP to defect from Tory to Labour, Leo Blair, Tony's ex-Thatcherite father, and Toby Graham, Clare Short's long lost "One Nation Tory" son.

Do endorsements by celebrities make a difference? "No," said one weary Labour official. "But we'd look really sad if we didn't have any."



High fliers for Labour: Tony Blair with Richard Branson, and (left to right) Damon Albarn, Anita Roddick, Sir Terence Conran and Mick Hucknall

First round to pedestrians in fight for historic squares

Christian Wolmar
Transport Correspondent

Plans to pedestrianise parts of Trafalgar and Parliament Squares move closer today with the announcement that a feasibility study is to receive funding from the Heritage Lottery Fund.

Consultants are to be appointed next month to look at a variety of options for the area, all of which are based on the premise that more space will be given over to pedestrians and traffic will be restrained.

Previous plans to pedestrianise the squares have been rejected by Westminster Council, but now government ministers are pushing hard to see a change in the environment around London's key tourist areas, which is frequently criticised by foreign visitors.

John Gummer, the environment secretary, has been holding a series of meetings with a group of organisations including Westminster Council, English Heritage, the Royal Parks and London Transport, as well as other government departments, and they have all agreed to contribute towards the cost of the report.

Lottery funding will provide half the cost of the £250,000 consultants' report which will be called *World Squares For All* and will take a year to carry out. Six consultants are making presentations to the council on 12 November and the successful consultant will then draw up a series of options for public consultation next summer.

The consultancies being considered for the job include a group headed by Sir Richard Rogers whose scheme for the



No go area: Trafalgar Square has been choked by traffic for years Photograph: Ed Sykes

National Gallery extension, which included pedestrianising part of Trafalgar Square, was rejected a decade ago.

Mr Gummer, who has been the main force behind the scheme, said: "It's time we gave these two great squares back to the people - they've been dominated by the car for too long."

The most likely schemes are to pedestrianise the north side of Trafalgar Square, next to the National Gallery, which would create a continuous pedestrian zone between Leicester Square and Trafalgar Square, and to pedestrianise the south side of Parliament Square, next to the Palace of Westminster.

The study will also investigate how to speed up bus journey times in the area and improve pedestrian access around Westminster and Charing Cross stations, as well as the new Hungerford footbridge.

Other road closures may be considered - Westminster is already narrowing the Strand to reduce the amount of traffic in the area and is giving more space to pedestrians.

Malcolm Harby, associate director of planning at Westminster Council said: "In the past, the schemes have foundered on the problems of worries about increased traffic jams."

"Now we are looking at it the other way round. We're going to say, here's a good scheme, let's implement it, and then sort out what to do with the cars."

He added that with "all these important players involved", this time it will happen.

Sir Jocelyn Stevens, chairman of English Heritage, said: "Westminster Abbey, the Palace of Westminster and St Margaret's Church are designated a World Heritage site, but the space between them is almost permanently occupied by cars. 'I welcome the master plan in the hope that it will provide for people to enjoy the historic centre of our capital city.'"



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news

Evidence against murder suspect revealed



Michael Streeter

Colin Stagg, burned newspaper in the street

A new chapter in the story of the unsolved murder of Rachel Nickell began yesterday when previously unheard evidence against a man acquitted of killing her was made public. Friends and family of Colin Stagg were furious that witness statements, including evidence gained by an undercover policeman who befriended him, were published by the *Mail on Sunday*. The tabloid said it was trying to "air" all the available evidence.

Mr Stagg's wife Diane said: "We are totally disgusted and outraged because they are not telling the full story. Nobody wants the killer caught more than Colin. It would end all this, but we are just ordinary people who can't afford to fight."

Declining himself to talk to the media, Colin Stagg burnt a copy of the newspaper and threw it in the street in Roehampton, south west London, where he lives. He also hurled eggs at a photographer.

The Old Bailey case against Mr Stagg in September 1994 was dropped before a jury could be sworn in, with the judge Mr Justice Ognall describing the use of the undercover officer as "bait", and "deception of the highest kind".

No jury thus heard statements from what the *Mail on Sunday* called a dozen ordinary citizens, many of whose accounts of 15 July, 1992, when Rachel Nickell was stabbed to death on Wimbledon Common, appear to differ from his.

They include claims that Mr Stagg was close to the murder scene near 10.30am, the time when Ms Nickell is thought to have died as her two-year-old son Alex looked on.

Jane Harriman, the wife of a solicitor, is said to have seen Mr Stagg - whom she later picked out in an identification parade - near the scene at about 10.23am.

One of his neighbours, Susan Gale, says she saw him on the common at 9.25am.

Mr Stagg said he was ill and had cut short his own walk with his dog by 9.15am, when he watched television, and also told a policeman who guarded the park after the murder that he had been walking his dog between 8.15am and 8.30am.

Another witness, Lillian Avid, is reported as saying she met Mr Stagg that day, when he rushed up and spoke about the murder, mentioning the exact time and place. Disturbed by his knowledge, she asked him: "Are you sure you didn't do it, Colin?" He "grinned" and replied: "Nah".

In his talks with the undercover officer, Stagg is reported to have revealed details of the position of Ms Nickell's body and of her wounds he said he gleaned in photographs shown him by police. Police say that he saw only one, which did not show such detail.

If Mr Stagg continues with his stated plan to sue the Metropolitan Police for malicious prosecution and wrongful arrest, much of this evidence - already presented during the 11-day committal proceedings - will be heard at the High Court.

Yesterday one of his friends, Lee Ashley, said the matter was in the hands of Mr Stagg's solicitor. "Everything that's in the [newspaper] today has been answered," she said.

Earlier, Mrs Stagg, whose car was reported stolen yesterday, said: "There was over any forensic evidence against him and he had tests on his hair, blood and saliva and there was nothing there."

In May last year Mr Stagg, now 33, was put on probation for carrying an axe on the common, which he said he needed for protection.

Ms Nickell's partner Andre Hanscombe moved to France with their son Alex, now seven. He recently described their memories and new life in a book.

Her father Andrew Nickell said yesterday he had no comment on the article or on reports that he may consider civil action against Mr Stagg.

A spokesman for Scotland Yard said inquiries into the murder continued. It was unaware of any writ served by Mr Stagg.



Rachel Nickell: Stagg "knew details of wounds"

Widow looks to bill to reverse sperm ruling

John Rentoul
Political Correspondent

Diane Blood, the widow fighting for the right to have a baby by her dead husband, yesterday welcomed as "fantastic news" the possibility of a Private Member's Bill which could reverse last week's court ruling against her.

However, a spokesman for the Department of Health denied that the government would support a bill. "We sympathise, but we are not giving support as such. The Government is neutral, and regards a vote on the issue as a free vote," he said.

Joan Lester, the Labour MP has promised to bring in a bill but, unless the Government promises to make parliamentary time for it, the bill stands no chance of becoming law.

At a news conference yesterday, Mrs Blood, 30, said she would continue her appeal against last week's High Court ruling that she could not use her husband Stephen's sperm, taken as he lay in a coma in March last year, to become pregnant.

The President of the Family Division of the High Court ruled the law banned her from being artificially inseminated since her husband died without giving his written consent.

Mrs Blood said she was still

confident her case could be won on appeal. A fund to help support the costs of the new legal action has brought in more than £20,000 since on Thursday.

She accepted the fact that the decision by Stephen Dorrell, the Secretary of State for Health, "not to stand in the way of a Private Member's Bill" would not help her, but claimed it vindicated her taking the case to the Appeal Court.

The basis of her case is that the Human Fertilisation and Embryology Authority had discretionary powers to allow her to go ahead.

"But my particular case is still far from won. My only course of action can be to pursue my appeal in the courts and hope that in the meantime the HFEA will reconsider their decision and allow the sperm to be released," she said.

A statement from Mrs Blood's lawyer, Richard Stein, said: "The suggestion of a Private Member's Bill to amend the law must be excellent news for people who may find themselves in Diane's unfortunate situation in the future."

A family friend, Paul Plant, said of the couple: "The two of them were inseparable. He would come to my home and loved playing with my children. He just wanted a child himself."



Simon Wilson, an administrator at St Crispin's Hospital, Northampton, with his wife Susan. He needed stitches in his forehead after an attack at the hospital. Photograph: Keith Dobney

'Crime of released patient ensured medical treatment'

Glenda Cooper

A dangerous mental patient was released into the community because only by committing a crime could he receive the treatment he needed, it is claimed.

In what is believed to be the first case of its kind, a hospital worker is suing his health authority after he was attacked by the patient, Maurice Badkin, with an iron railing within the hospital grounds.

Simon Wilson, an administrator at St Crispin's Hospital, Northampton, is claiming the hospital had a duty of care to protect its staff. The case reconvenes at Northampton County Court today.

Mr Wilson says he can never forget 14 April 1989. "I was walking down a corridor when I heard breaking glass," he said. "I saw a person I'd never seen before carrying an iron railing."

He walked past me and I said 'what are you doing?' He carried on and said 'Get back', which I did.

"He was 20 feet away when he turned and swung the railing above his head, shouting 'I told you to get back' and stepped closer to me, bringing down the railing with almighty force."

"At the moment of the attack, I thought 'How can you do this to another human being?' and at that instant I decided logically, without emotion, that I would not let him kill me."

Mr Wilson managed to take most of the blow on his forearm, the force being enough to snap the diving watch he was wearing. His forehead needed seven stitches and he suffered severe headaches for weeks afterwards. The major problems, however, were psychological.

The consultant forensic psychiatrist who prepared reports for court said Mr Wilson was

suffering post-traumatic stress disorder and that his quality of life had been "permanently diminished" by the assault.

Mr Wilson is convinced that the essential issue of his case rests on whether the staff responsible for Mr Badkin's care should have granted him unsupervised parole.

It was known that Mr Badkin had a long history of violence and was on medication suitable for someone suffering from schizophrenia. A day before the attack, he had become angry and agitated after an argument with a fellow patient and had expressed delusions.

A month earlier, Mr Badkin's doctors were considering sending him to Rampton, a maximum security hospital. But they believed it would not accept Mr Badkin in his condition. In his medical notes of 24th March 1989, the doctors concluded: "Otherwise, we will have to

wait until he can be charged with some serious offence and be brought before the court."

Dr Peter Wood, the consultant forensic psychiatrist who appeared as an expert witness, said: "It seems that at least part of the thinking of those looking after Mr Badkin was to allow him enough freedom to give him the opportunity to offend seriously so that further methods to control his behaviour could be taken."

But the hospital denied there was any intention to release Mr Badkin in order for him to commit a crime. Dr Albert West, consultant psychiatrist at St Crispin's, told Northampton County Court earlier this year that the comment "at the end of the line, it is a matter of sadness that this may be the ultimate event. There was no plan or plot on my behalf to allow this to happen."

DAILY POEM

Archy and Mehitabel: what next

by Don Marquis

transmigration of souls is a great game if you do not weaken but every now and then I get worried about my future. I used to be a vers libre poet before my ego went into the body of a cockroach and some times I turn pale with the thought that I may be going further down yet before I start to climb back I might even be a hat-check boy in a hotel

archy

Archy the Cockroach first sprang from the pen of Don Marquis (1878-1937) in March 1916 and appeared in a variety of publications into the 1930s. The formula was simple: each night the "boss" (Marquis) left a sheet of paper in his typewriter, so that Archy, leaping from key to key, but always unable to perform the double action of a capital shift, could bang out his observations on life, art and the universe. A few years ago, a hoard of lost Archy and Mehitabels were found in a trunk in Brooklyn warehouse. Bloodaxe publishes them this month as *archyology: the lost tales of archy and mehitabel* at £7.95.

Gun campaigners drop election threat

The Snowdrop anti-bandgun campaign launched in the aftermath of the Dunblane massacre yesterday dropped its threat to field a candidate against the Scottish Secretary, Michael Forsyth, at the election. Co-founder Ann Pearson said the need for such a tactic - which could have threatened Mr Forsyth's majority of just 703 - had receded now that Labour was backing a handgun ban.

"I don't see I need to now, because the Labour Party have met our aims as far as a ban on handguns goes," she said. "It would not make sense for me to stand or field candidates in seats that would draw votes from the Labour Party."

Meanwhile Mr Forsyth today signalled a possible drive against film and video violence as the next stage of a campaign against the gun culture.

The power of anti-guns campaigners should now be turned on "the kind of material which is being provided to our children and to adults throughout Britain", he said in an interview in the *Scotland on Sunday* news-

paper. Attacking the celebration of violent culture in many videos and cinema films, Mr Forsyth implied that a crackdown was being contemplated. It must, he said, "have an impact on people's values and attitudes towards violence - not just violence involving guns, but knives and other weapons".

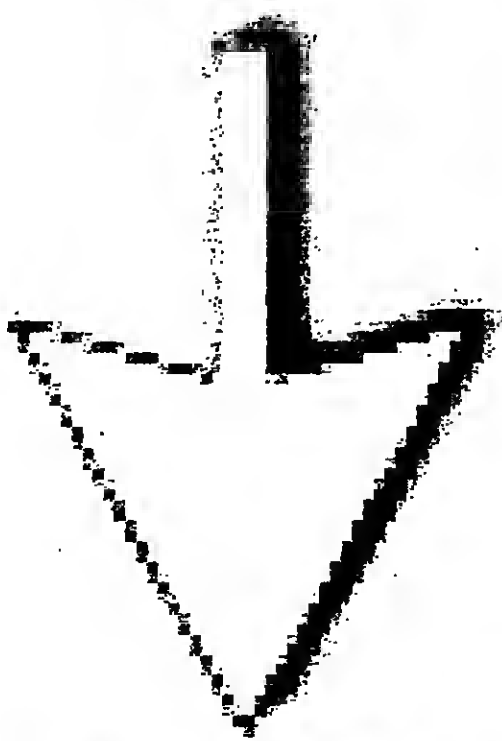
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Doubts grow over trauma therapy

Ian Burroll

A hospital "debriefing" therapy which requires accident victims to relive the horror of their experience exposes them to greater risk of serious trauma, psychiatrists have found.

Victims who are made to talk about the pain and shock of their accidents are three times more likely to suffer long-term problems than those who receive no counselling.

The findings have been made by a team of psychiatrists based at the Whitechurch hospital in Cardiff who monitored the recoveries of 110 burn victims.

Similar findings were made by an Oxford-based research team working with victims of road accidents.

The researchers say that the

Victims not helped by reliving horror of accidents, research shows

widespread belief that debriefing is beneficial may be misplaced.

They argue that it is better to leave victims alone until they start to show symptoms of trauma rather than exacerbate the problem with shock therapy.

In the Cardiff study, half of the victims agreed to undergo an hour of counselling with a therapist within a week of their burns accident.

They were asked to describe the events leading up to the accident, the pain they felt and any nightmares they had experienced after the incident.

The victims, aged between 16 and 65, had suffered in a range of incidents from chip-pan fires

to industrial accidents. Some had up to 32 per cent burns.

Those taking part in the study were interviewed after three months and again after 13 months to see if they had suffered any long term psychiatric problems.

The researchers found that 26 per cent of those who had been asked to talk to therapists about how they were burned had gone on to suffer post-traumatic stress disorder (PTSD).

The symptoms of PTSD include recurring nightmares, a sense of personal isolation, disturbed concentration, irritability and depression.

By comparison, only 9 per cent of those who had not been

given counselling later had PTSD. The results are to be published shortly in a scientific journal.

Dr Jonathan Bisson, the psychiatrist who led the research team, said: "The findings were that the debriefing had not prevented psychological problems at all. In fact, those that received the debriefings fared worse than those who received nothing at all. It is possible that the debriefing actually contributes to the patient getting PTSD," he said.

Burn victims could still benefit from undergoing therapy but it needed to be done as part of a long-term controlled programme. "The best policy ap-

pears to be to wait until the problems occur and then treat them with a prolonged course of therapy."

The Cardiff findings were supported by research carried out with road-accident victims by Dr Richard Mayou and Dr Mike Hobbs at Warford psychiatric hospital, Oxford.

They followed the recoveries of more than 100 traffic accident victims who needed treatment at the John Radcliffe hospital, Oxford. Half the victims were given a debriefing.

Dr Hobbs, a consultant psychotherapist, said: "There's a bandwagon assumption that debriefing is a good thing. The reality is that in our study it did

not reduce or prevent PTSD." He said the most vulnerable people to PTSD were those accident victims who formed the opinion that they were at risk of serious injury, even if they were not.

Others at risk were those who already had psychological problems or a psychiatric illness or those who were suffering from other forms of stress, such as a bereavement, at the time of their accident.

Dr Hobbs said that some victims valued the experience of the debriefing even though it had been shown not to prevent PTSD.

A third study by researchers at St George's hospital, south London, found that debriefing was also ineffective in preventing trauma in assault victims.

Colour chaos polluting the high streets

Michael Streeter

Many of Britain's high streets are a visual mess inflicting "colour pollution" on those who live and work there, according to the author of a new book on colour and the environment.

Michael Lancaster, a landscape architect and colour consultant, urges planning authorities to set up colour advisory groups to help set guidelines for the appearance of towns and cities. If do not, he warns, the current decline into visual chaos will prevail. "Most of the high streets in Britain are a mess. Commercial interests have gained the upper hand and this has been without reference to colour."

He says that while the use of various lurid shades all in the same area may have a role - for example in a fairground - it also has its limitations. "At some point you reach saturation. People also need a restful environment."

Mr Lancaster's new book, *Colourscape*, is an attempt to explain the importance of colour to the environment and in particular to architecture. In his introduction he points out that while many people may look at colours, they often fail to absorb their full impact.

"This would provide an explanation for the fact that so much of what might be regarded as visual pollution - in the form of industrial dereliction, massed advertisement hoardings and simply litter - often goes unnoticed."

Yesterday, Mr Lancaster put some of the blame on schools which do not teach enough awareness of architecture and the impact of colour in modern environment. He says the role of colour is largely ignored by most architects and architectural schools.



Heroes and villains: The Clore Gallery (above) - the materials and colours of which complement its surroundings - and Hammersmith Bridge (below) which has been painted green, causing an imbalance which ties it too closely to one bank

In the countryside, the use of conservation areas has sometimes helped control colour pollution, but urban areas are largely uncontrolled. "I do not think the British really know how to live in cities yet."

Describing himself as "rather a modernist", Mr Lancaster is a champion of many new buildings, and warns that merely preserving the past ignores the need to be flexible in use of colours as areas change.

However, these need to be co-ordinated - hence the need for his colour advisory groups. A mixture of modernists and traditionalists would help produce guidelines for an area and its streets. These would not be rigidly enforced, but would give planners an "evolving" colour context in which to work.

To illustrate the problem, he cites an example in Putney High Street, south-west London. The



use of four bold colours in four neighbouring shops to emphasise their differences has produced a "garish" effect.

He is also critical of how colour planning is ignored along stretches of the Thames in London - an example being the new

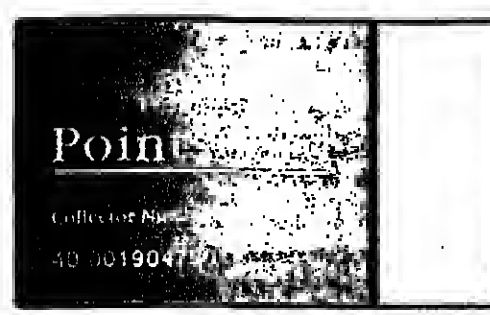
painting of Hammersmith Bridge green, which he says "ties" the structure too closely with only one bank, causing an

"imbalance". Mr Lancaster also attacks the indiscriminate use of white in many buildings. "It is very intrusive - but people think it's innocuous," he says.

However, there are some encouraging signs. He describes how hamburger chain McDonald's won an award for its outlet at Richmond, Surrey, by toning down its "strong colour impact" to fit in with the area.

Other buildings worthy of praise, he says, are the West London Waste Transfer Station, at Brentford - with yellows and reds giving a "distinguished" look - the former nuclear research centre now Winfrith Technology Centre in Dorset, parts of Warwick University, and the Clore Gallery - the extension to the Tate, where the architects "have been careful... to echo the materials and colours of the adjoining buildings".

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news

Pay bonanza for privatised utilities' bosses

Chris Blackhurst
Westminster Correspondent

The salary bill for Britain's privatised boardrooms has risen by £25m since the companies left the public sector.

New research reveals the huge pay bonanza enjoyed by the directors of the privatised companies, reopening the row about "fat cat" salaries.

The new study extends far wider than a few chairmen and chief executives and takes in the pay of all utility directors, including non-executives. This shows the wage bills of the utility boards have risen from a total of £5.2m when they were nationalised to £30.5m post-privatisation.

This compares with a rise in average earnings over the last decade, from £184.70 in 1986 to £352 today. While average pay has not even doubled, utility boardroom salary bills have climbed sixfold over, in some cases, a far shorter period.

In all, 215 directors are shar-

ing the £30.5m, giving them average remuneration of around £150,000.

The research shows that the biggest gains are not confined to those companies which have attracted "fat cat" headlines in the last year. Among those heading the charge is Yorkshire Electricity, where the directors' pay packet has soared from £167,000 before privatisation to £1.1m after.

Likewise, Eastern Electricity directors are paid a total of £1.2m more than before their company was privatised.

The figures do not include share options, but they cover salary, taxable benefits, performance bonuses and pension contributions. When options are added in, they would be even higher.

In a league of their own are the two giants, British Telecom and British Gas. When they were state-owned their boardrooms each cost less than £500,000. Today, their boards earn millions of pounds. BT di-

rectors have seen their remuneration go up from £489,000 to £3.4m, while at British Gas their pay has increased by a similar proportion, from £495,000 to £3.4m.

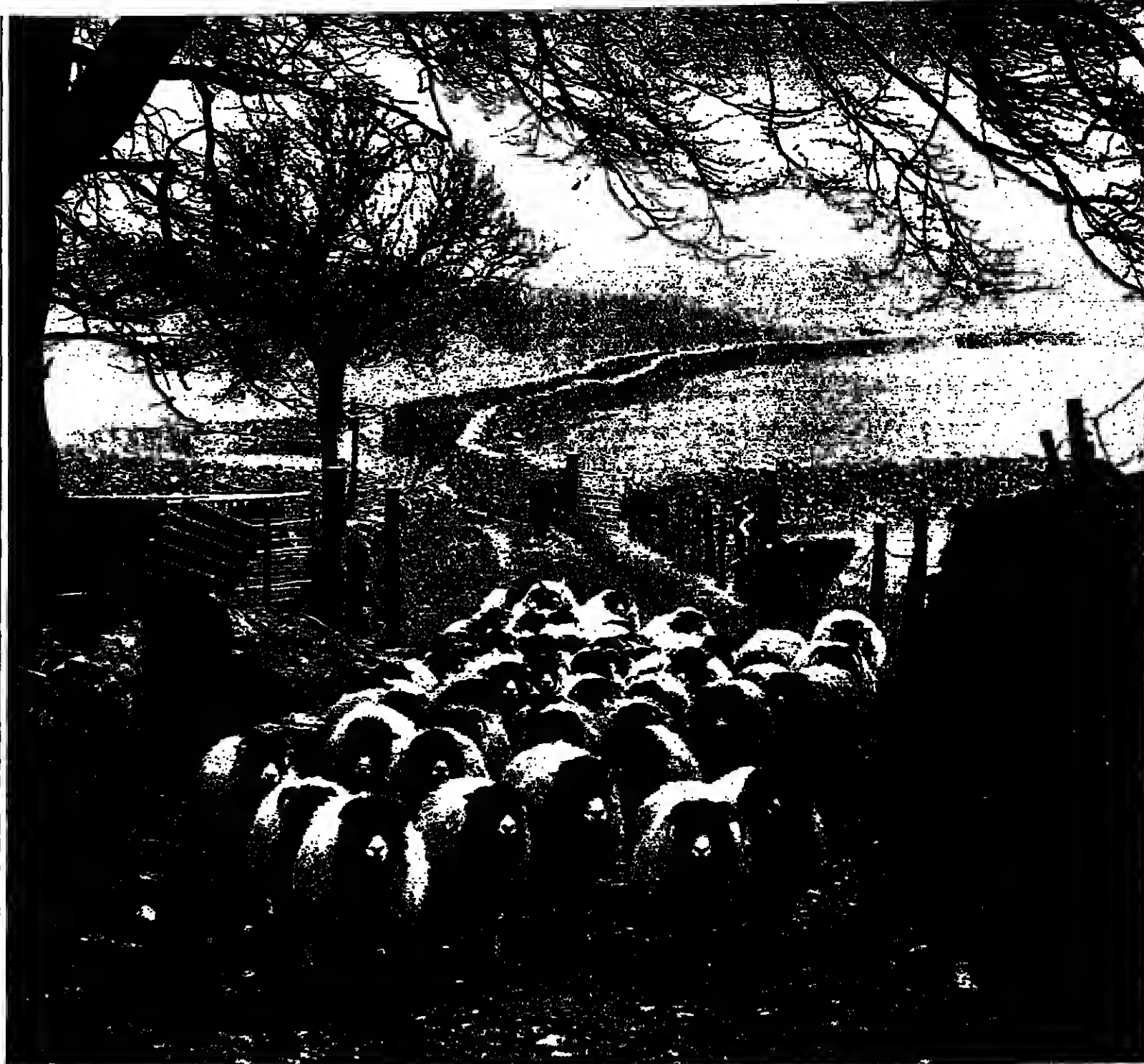
The study, which was carried out by Labour, will provide further ammunition for the party's argument for a utility windfall tax. Alan Milburn, a Shadow front bench Treasury spokesman, said: "The Tories have failed to stamp out boardroom excess in the privatised utilities. Abuse in the privatised boardrooms is a modern form of highway robbery, taking from the many to finance the excesses of the few. The windfall gains made by a few fat cats show the utilities can well afford a levy to help the minority."

Mr Milburn added: "Consumers are paying the price of abuse in the form of higher bills and poorer service. These latest figures show that voluntary self-regulation agreed after the Greenbury Committee report is simply not working."

Directors' remuneration in the privatised utilities

	No. directors	Board pre-privatisation	Board 1996
British Telecom	13	£489,000	£3,487,000
British Gas	12	£495,000	£3,483,000
Regional Water Companies:			
Anglian	11	£345,000	£854,000
Severn Trent	10	£397,000	£1,285,900
Southern	9	n/a	£857,000
South West	11	£106,000	£247,000
Thames	9	£103,000	£1,051,000
Wessex	10	£189,000	£882,000
Yorkshire	11	£214,000	£2,774,000
Total	71	£1,324,000	£8,474,900
Regional Electricity Companies:			
East Midlands	8	£185,000	£1,297,971
Eastern	11	£422,000	£3,620,971
London	10	£228,000	£1,095,000
Midlands	9	£200,000	£2,000,000
Northern	8	£200,000	£2,000,000
Norwest (United Utilities)	10	£200,000	£2,000,000
South Wales (Hydro)	10	£376,000	£1,005,000
Southern	8	£186,000	£1,190,000
Yorkshire	11	£167,000	£1,113,300
Total	85	£2,343,000	£10,427,271
National Power	14	£646,000	£3,083,807
Powergen	11	n/a	£2,015,501
National Grid	9	n/a	£1,688,000
Utilities Total	215	£5,267,000	£30,534,379

Remuneration includes salary, taxable benefits, performance bonuses & pension contributions. Not options.



The role of stones: Sheep hemmed in by dry stone walls in Yorkshire, one of the counties where many were built

Photograph: Tom Pilston

Battle launched to save stone walls

Nicholas Schoon
Environment Correspondent

A campaign to save what survives of the dry stone walls of England is launched today. Of the 70,000 miles of them which straddle the countryside, half now lie in ruins or have collapsed to the point where they can no longer do their main job of keeping in livestock.

The campaign is being run by the Council for the Protection of Rural England and the Dry Stone Walling Association. "They were built to last by people who have long since gone," Jonathan Dimbleby, the council's president, said. "It seems inconceivable that tomorrow's landscape will be bereft of dry stone walls but unless we take action

now, that it will happen." A survey by the Government's Countryside Commission found that in the past 50 years 4,500 miles of dry stone walls had been destroyed by development, road building or in some cases by being dismantled by farmers to provide decorative stones for rockeries. The modern countryside lacks the labour to repair the

walls, and the commission estimated that only 4 per cent of the total length was in pristine condition. The walls are in the west and north of England, in hilly and mountainous areas where plenty of rock was available, where the soil is thin and the climate is too harsh for hedges to prosper. North Yorkshire, Cumbria and Cornwall have 32,000 miles

between them - nearly half the nation's total length. The campaigners want people to gather information about the state of dry stone walls in their area. They are calling on the Government to increase its grants to farmers to maintain and restore their walls and for the grants to be offered over a wider part of the country than at present.

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New name blocks rail schedule

Christian Wolmar
Transport Correspondent

Travellers on the East Coast main line railway have been unable to get timetables for the route for the past month because the new, privatised company is changing its name this week.

The timetable for East Coast trains, which run between King's Cross, Peterborough, York, Newcastle, Edinburgh and Glasgow, has not been published by Sea Containers, which took over services in April, because of the impending change of name. Since 29 September, when the new winter timetable and the previous booklet became obsolete, travellers have been unable to get full information. Several readers have com-

plained to *The Independent* because they have been told that a new company was taking over and they had to print new logos. One of the complainants, Robin McMorran of Edinburgh who has been trying to get the timetable from the city's main station, Waverley, for several weeks, said: "Eventually I had to borrow a full railway timetable from a friend and copy the times like some sort of tenth century monk."

The company is due to relaunch tomorrow as Great North Eastern Railway and a spokesman, Laurie Holland, said yesterday: "We can't legally put out documents using the new name until we are officially that company and therefore we took a decision, based on commercial judgement and common sense, not to issue the

full timetable until we had relaunched." He said that had the period between the old timetable expiring and the relaunch being longer, such as six or eight weeks, "we would have printed the timetable using the old logo and name". Mr Holland stressed that the

smaller card timetables for individual routes had been printed with the old name. He added that there had been a number of complaints: "We knew that there would be some people who would be inconvenienced, but it is a costly booklet and we did not want to waste money."

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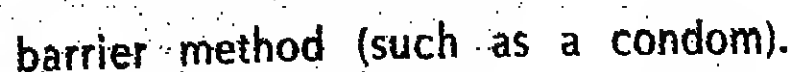
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news

THE EMU DEBATE

Should Britain join the single currency?

John Lichfield

EMU is coming. The debate about the European single currency has shifted into a new phase. Whether you are for it or against it, whether you are uncertain or just (understandably) confused, the theoretical – will they, won't they? – debate about the European single currency is over.

It is now virtually certain that European economic and monetary union (EMU) will take place, as planned, starting with the permanent fixing of exchange rates in 1999. Whatever Britain ultimately decides

– to join EMU or to hang on to the pound – our relationship with the rest of Europe will change radically in the next six years.

It is likely that at least eight EU countries, possibly more, will merge their national money into a single currency from 2002. By July of that year, the French franc, the Deutschmark, the Dutch guilder, the Belgian and Luxembourg francs, and probably the Irish pound, the Finnish markka and the Austrian schilling, will disappear.

Instead, the Euro will be born, full-grown, circulating from Cork to Helsinki. It will become, instantly,

the second most powerful currency in the world. In time it might become the most powerful, displacing the mighty US dollar.

The European single market would

continue and Britain would still be part of it. But would our trade, and investment from Asia and the US, suffer if we were outside the new European Champions' League? On

the other hand, if we were inside, we could a single currency dilute our sovereignty and democracy beyond an acceptable point? Until the beginning of this year,

there were enormous doubts that EMU could fly. Some lingered until this autumn. In the past few weeks, the global bond markets, the US government, even the British Government, have acknowledged an inescapable fact: a group of EU governments is determined to push ahead with the single currency.

As a consequence, the central questions about EMU have changed. The old questions were: Is it feasible for European countries to merge their currencies and, in effect, link their economic and fiscal policies? What benefits would it bring? Perfectly respectable academic

argument can still rage on these points. But in terms of practical politics, that debate is dead. Whatever the theoretical rights and wrongs, most of our closest economic and political partners will be inside the single currency in just over six years.

For Britain, the pressing new EMU questions are: If the others are determined to press ahead, is it sensible for Britain to join or to stay out? Should Britain join on any terms, or only if certain conditions are met? Should we pull out all the stops to join in the first wave or sign up later?

The questions are addressed by Independent writers on this page.

Five-year countdown to monetary union

1997: Qualification for membership of EMU depends partly on national economic performance – size of budget deficit and total national debt – in this calendar year

Early 1998 (no specific date set): Decisions must be made on who wishes to join economic and monetary union and who qualifies, based on early indications of national economic performance in 1997.

1 Jan 1999: Economic and Monetary Union begins. National currencies remain in circulation but exchange rates between EMU members are fixed.

1 Jan 2002: The Euro, the single European currency, enters circulation. National currencies survive, in parallel with the Euro, for another six months.

1 July 2002: Old national currencies in EMU member states are no longer legal tender. The Euro takes over.

FOR

Nothing to lose and much to be gained

ECONOMICS

Diane Coyle
Economics Editor

The case for Britain joining the single currency has two strands, the positive and the negative. Take the positive arguments first.

As long as EMU is Bundesbank-flavoured, economic policy would be better run than it has been by British politicians over the decades. The only freedom that would vanish with the pound is the freedom to devalue against core European currencies. For the pound in our pocket in 1970 is worth only a third as much now as it was when the UK joined the European Community.

The occasions on which exchange rates have successfully brought about a real economic adjustment are very rare, although one of the few – the pound's ejection from the Exchange Rate Mechanism in September 1992 – is fresh in our minds. Most devaluations have simply led to higher inflation through higher import prices. Indeed, a weak currency is generally just the reflection of a weak economy.

Having a strong currency has not harmed the German economy, and, equally, it is absurd to suggest that if southern Italy had had a separate currency that could have devalued against the northern lira it would have developed a stronger economy. Its declining currency would have reflected its underlying economic and political problems.

Joining a single currency which inherited the Bundesbank's anti-inflationary credibility would also allow interest rates to fall, and by a significant amount. UK rates are about one and a half percentage points higher than German rates.

Similarly, there is no real sovereignty to lose in fiscal policy, and much to gain from sensible harmonisation. Limits are currently set on government budgets by the financial markets, and it has been clear since at least the disastrous French attempt to expand the economy by higher borrowing in 1981 that the

market discipline is powerful.

Even national powers to set particular tax rates are being whittled away by the international marketplace. For example, it would be difficult for any country to switch the burden of taxation from households to companies. Many multinationals would simply transfer business elsewhere. France and Germany are currently finding that even their own companies are increasingly unwilling to pay the social charges on employing people in their own country, and are investing in Britain or Czechoslovakia instead.

Finally, a single currency would reduce the costs of trade and travel within the EU, and would take the single market to its logical conclusion.

The case for not being left out is almost as powerful. Opponents of EMU underestimate the costs of exclusion both from decisions about the future of the single market and from the market itself. For although overt discrimination against British companies would be illegal, there would certainly be informal discrimination. It will become easier and cheaper for three of the UK's four biggest trading partners – Germany, France and the Netherlands – to trade more with each other.

There is already a flavour of British exclusion from important decisions as a result of our lukewarm attitude. The French and Germans are seeking to shape Target, the payments system for Euros, to their own banks' advantage, and to structure their government bond markets after 1999 to the benefit of Frankfurt and Paris. The City of London is very concerned that Britain has already lost its voice in crucial decisions.

The luxurious flow of inward investment into the UK might also be threatened by hostility to the single currency. Although this country would still offer the advantage of low costs and low regulation, poorer access to the EU market – and the perceived danger of withdrawal altogether from Europe – are already putting off potential investors.



The danger of blocking exchange safety valve

ECONOMICS

Diane Coyle

The most detailed economic case against joining the single currency has been made, perhaps surprisingly, by Eddie George, Governor of the Bank of England. Although he is always careful to spell out some of the arguments in favour too, his growing concern about EMU centres on the loss of exchange rate adjustments as a means of economic adjustment.

At present, if a country experiences some change in the structure of its economy – such as the discovery of North Sea oil or German unification – one of the ways it can adjust is through a change in the value of its currency.

After German unification, for example, when the injection of extra spending power into the east by the German government led the Bundesbank to raise interest rates, an appreciation of the Deutschmark was the obvious safety valve. But the exchange rate mechanism limited the currency's rise, and other European countries had to increase their interest rates too, topping them into recession.

Joining the single currency, with irrevocably fixed exchange rates would deprive European countries of an important adjustment mechanism.

It would also mean a single level of interest rates yoking economies with very different patterns of growth. UK interest rates need to go up at this stage of our business cycle. French and German rates need to fall, if anything.

This worry would not apply only at times of structural change. If one country, like Britain or Italy, had consistently higher wage growth and inflation than the others after the start of EMU, but could not devalue as they traditionally have against the mark, they would be stuck with recession as the only means of adjustment.

The need for the member economies to behave in similar ways was recognised when the Maastricht treaty was signed. Hence the convergence criteria,

and the current negotiations on a post-EMU "stability pact".

However, what particularly concerns Mr George is the fact that the continental countries are likely to undergo important structural changes during the next few years. In an effort to cut unemployment from appallingly high levels, they are busy deregulating their economies, following the British example.

In a speech earlier this year, the Governor said: "I have to say that recent developments cause me to be more, rather than less, doubtful about the wisdom of moving ahead until we see more clearly just how the unemployment problem is being addressed."

The other serious concern about joining the single currency is whether governments would end up losing their powers over tax and spending as well as interest rates. The stability pact means the 3 per cent of GDP ceiling on government deficits will remain. That implies a deficit no greater than about 1 per cent of GDP on average.

Most European governments want to achieve this anyway, but some fear the danger of permanent recession in certain countries means there would have to be big fiscal transfers between states – much as the US federal government helps transfer tax dollars from rich to poor states.

Some economists argue that there would need to be much bigger transfers between EU than between US states because America has one other form of adjustment: the movement of people around the country. Mid-Westerners have moved to the sun-belt where jobs growth has been rapid. Europeans do not have the habit of mobility and face extra barriers of language and culture. Besides, it is hard to imagine that there would be no pressure for centralised decisions on fiscal policy under a single currency. What could be more natural than a European finance ministry to match the European Central Bank?

Unique opportunity to prove commitment

Anthony Bevins
Political Editor

The creation of a single currency will provide the United Kingdom with a unique opportunity to prove its European credentials – literally, by putting its money where its mouth is.

Staking sterling on a single currency would amount to the highest show of commitment to the future of European Union since Edward Heath took us into the Common Market back in 1972.

Because of the way in which Europe has split the Conservative Party, forcing John Major to straddle the Tory divide, the perception of European leaders is of a Britain that has to be dragged, kicking and screaming, into any development.

That will remain the case through to the next election, with Mr Major arguing that it would be foolish to give a premature commitment either way, until the terms of the currency creation had been agreed, and it could be seen whether it was in the national interest to join, or not, in the first wave.

But the election campaign itself will create its own political

momentum, with the Prime Minister making great show of his determination not to bow, or kow-tow, to Brussels pressures.

The warlike atmosphere to be generated by Number 10 will be used to outflank Labour, portraying it as the Brussels poodle. It will undoubtedly inflict great damage on Anglo-EU relations.

If a new government, Conservative or Labour, was then to sign up to the single currency, on the back of an election and a positive referendum, there could be no greater evidence of new-found commitment to the European project.

Sir Edward Heath told *The Independent* last week: "By rejecting the single currency, the Government would be rejecting the goal of 'ever-closer union', which has always been the purpose of the European community, encouraging people in this country to look on the European Union as something alien and threatening."

"To proceed unchecked down such a course would risk an inevitable parting of ways be-

tween the United Kingdom and the rest of Europe."

"When considering whether British membership of a single European currency is in the national interest, MPs, as well as the general public, should bear in mind not just the rather complex economic arguments, but also the simple political choice that confronts them," do they think that the United Kingdom should be part of Europe or apart from Europe?

Sir Edward is not alone. Writing his book about Europe – *Can Britain Win?* – Michael Heseltine concluded in 1989 that one theme had emerged at every turn, from each chapter. "The growing speed of change and the gathering concentrations of power in the modern world force the same choice again and again upon the British people. Whether to cling to the sovereignty we know and value, exercising it, even as it shrinks, with all the resourcefulness we can find; or to strengthen that sovereignty by sharing it with others, acknowledging the hazard in order to grasp the greater opportunity."

The Euro – price and practicalities

What will a Euro be worth in terms of pounds? Of all the single currency arrangements still to be settled, this is one of the most crucial.

Many economists have suggested fixing the pound at an exchange rate of Dm2.50, compared to the Dm2.95 rate during sterling's membership of the Exchange Rate Mechanism until it was ejected on Black Wednesday just over 4 years ago. That would mean a Euro worth about 75 pence.

What will be the single currency equivalent of pence? They will be called cents, to the disappointment of those who had been holding out for "peens".

What will the notes and coins look like? There will be 5, 10, 20, 50, 100, 200 and 500 Euro banknotes; the coins will be 1, 2, 5, 10, 20 and 50 cents and 1 and 2 Euros. Up to 20 per cent of the surface of one face of the bank note will be reserved for national symbols. The notes will also carry the initials of the European Central Bank and the 12 stars of the EU.

If we join, when will we start using them? No Euro notes and coins will circulate until 2002. They will then circulate alongside national currencies for 6 months, when

the latter would cease to be legal tender. But the banking system will convert to Euros immediately on the start date, 1 January 1999.

Will I be able to use them anywhere in Europe? Yes, Euro cash will be legal tender in all member countries.

Will it affect my mortgage? In theory, it could both cut mortgage rates and result in more fixed-rate arrangements. If the single currency is dominated by tough Bundesbank-style monetary policy, UK interest rates could fall to German levels, which could bring the repayment on a mortgage of £50,000 down by about £40 a month. If the single currency brings more stable policies, British lenders might, like German lenders, offer more fixed-rate mortgages.

How much will it cost to convert to Euros? There are no reliable estimates because banks and businesses have only just started to think about it. Costs would range from altering vending machines and cash tills to reprinting price lists and rewriting computer software. According to the British Bankers' Association, the cost to the high street banks would be at least £1.5bn. For the economy as a whole it would add up to billions of pounds.

Anthony Bevins

The very integrity and survival of the United Kingdom as a sovereign state would be at risk if sterling were subsumed in a single currency.

John Redwood and the other Euro-sceptics have repeatedly warned: "A single currency is the biggest and most important step towards a European superstate."

The political critics argue that a single currency would require a single economic policy, and even a unified tax system; stripping Westminster of all but the most mundane power.

Lord Tebbit has said that Westminster would be turned into the equivalent of a rate-capped county council, and he has also warned that there could be nothing more dangerous than forcing an unwilling – or unwitting – British people into a federalised union.

Drawing on the collapse of the former Yugoslavia, he has said that the tensions and inevitable break-up of a United States of Europe could be dire indeed.

As if there were not already a democratic deficit in Europe

Drawn into united states of Europe

POLITICS

– a pass already sold in so many ways by the Thatcher administration – Mr Redwood says that a single currency would mean the abdication of control by Westminster over central issues of economic policy.

"The House of Commons would be a strange place without any debates on the progress of the economy, economic growth, unemployment, inflation, mortgage rates and interest rates generally," he said in a booklet last year.

"Yet that is in effect what we are invited to accept if we agree to the single currency, the independent central bank and the main economic policies being determined by our elected officials at the central bank."

With demands by Brussels for greater consolidation of social and employment policy, including the 48-hour-week Working Time Directive, and for greater and greater cooperation in defence and foreign affairs, the houses of Parliament are, he says, threatened with a slow death.

"An economic policy on autopilot is a novelty which we have

not seen in operation in democratic countries before.

The Tory sceptics accept that there could be ways of getting round that, either through the European Parliament, or by having Westminster and national parliamentary control over the national representatives serving on the central bank.

But the European Parliament is hardly regarded as a bastion of national self-defence against the rampant power of Brussels and any attempt to impose control on a central bank by the politicians of 14 member states would soon end in tears.

Mr Redwood says: "It has to be accepted that the single currency model is part of a view of the world which believes that big, centralised government is better than devolved, smaller government, and believes that an elite should make the decisions for us without any particular democratic accountability. It is difficult to believe that the British people would like such a system."

Some sceptics believe, or hope, that the strains imposed by a single currency would be too great, and that those in the first wave, having acted in haste, would be left to regret at leisure.

Chirac rekindles a very dear friendship

Old grievances are forgotten as France and Syria join hands in a new alliance. Robert Fisk reports

President Chirac positively glowed. He had come to Damascus to "rekindle an old friendship". Syria had provided "endless inspiration" to French culture. The two countries dreamed of "a partnership between equals" and shared "the same obstinate passion" for independence. "Nothing can be truly accomplished in the Middle East without Syria and without your assistance," Mr Chirac told President Assad.

And the Syrian leader, listening to the French President's praise for his "vision and lofty sense of Syria's responsibilities in the region," glowed too. France had re-entered the Middle East centre-stage, to the indignation of America, the anger of Israel, the irritation of the European Union – and the delight of Syria.

"Never had the Syrians laid on anything as lavish as their welcome for the man who invoked General de Gaulle's desire for 'a solid alliance and an inextinguishable friendship' with Syria. From the 21-gun salute at the airport, and the thousands of Syrians crying – spontaneously, as they say – 'Vive Al-Assad, Vive Chirac', to the rose petals thrown at the French President's limousine, there was no doubting Syria's desire for a new alliance with France."

Good were the memories of France's brutal colonial occupation during its 1920-48 mandate, forgotten was the attack on downtown Damascus by departing French troops, unmentioned was France's old suspicion that the Syrians may have been involved in the assassi-

nation of their Beirut ambassador back in 1981, a claim the Syrians have always denied.

For France, Jacques Chirac was carving out a new role in the Middle East. For President Assad, the French promise of economic assistance and friendship was a guarantee that Syria need not fear American or Israeli demands for its isolation. And no wonder that the Americans, sulking at the embrace with which Mr Chirac responded to his welcome, could only mutter – courtesy of their anonymous diplomats – that France "did not know what it was doing."

French diplomats travelling with Mr Chirac dutifully echoed the Quai d'Orsay's official line on the visit: the French President was a man of peace who merely wished to show his support for the process of "land for peace" initiated in 1991. But Mr Chirac went far further. Referring to "poorly managed international situations" – an obvious jibe at America's inability to force Israel to keep to the peace accord – he said the peace process was in danger and that "it is time for Europe to co-sponsor this process as well". To President Assad's obvious satisfaction, Mr Chirac stated that "the principle of land for peace" remains the basis of any agreement. This holds for the Syrian territory of the Golan Heights and



I shall say so tomorrow in Israel." But in Israel today, Mr Chirac's words are going to be heard in angry silence by members of the Israeli government. The speaker of the Knesset has announced he will boycott Mr Chirac's trip to Jerusalem and Haifa because he is not addressing the

Israeli parliament – an odd gesture since the French President was not invited to address the Knesset. He will spend more time with President Weizman than with Prime Minister Benjamin Netanyahu, but will go on to address the Palestinian assembly in Ramallah (the first foreign leader

to do so) and then the Jordanian parliament in Amman.

European Union officials, still smarting at France's initiative – it was to pre-empt Mr Chirac's trip that it sent Irish foreign minister Dick Spring to the Middle East last month – could scarcely object to most of Mr

Chirac's remarks. The people of the Middle East and Europe, he said last night, were all part of a "Mediterranean family" and Europe "could not remain indifferent" to the grave events taking place in the region. But Mr Chirac's offer of economic assistance and his decision to forgive

In memoriam: The French President, Jacques Chirac, lays a wreath at the tomb of the unknown soldier in Damascus yesterday. Photograph: AP

part of Syria's 2 billion French franc debt to Paris places him in the forefront of Syria's defenders in the Middle East.

Fraco-Syrian relations "have had their ups and downs," he said – the Americans could remember several downs – but France stood firmly behind Syria's "strategic option for peace". And Mr Chirac's enthusiasm for a Palestinian state goes further than the EU's support for Palestinian autonomy.

As one French diplomat put it last night, Mr Chirac is not going to blame Israel publicly for destroying much of the "peace process"; instead, he will address younger Israelis in Haifa and appeal to them to understand the need for an exchange of land for peace. Whether they will accept his contention that the "peace process" is a hyphen, a link between the two banks of the Mediterranean, remains to be seen. He will be regarded as the friend of a country which the Americans still regard as a "state that supports terrorism".

Back in 1920, the League of Nations gave France a colonial mandate over Syria and France and Mr Chirac's penultimate stop in Beirut will evoke the ghosts of that old colonial role. Once again, France can claim a special relationship with the francophone states of the Levant. He cannot take the place of the superpower that once supported the Arabs but he can claim that "a certain balance [in the region] makes our participation desirable". All of

Ortega's hopes hit by ballot fiasco

Phil Davison
Managua

More than 2 million Nicaraguans voted yesterday on whether to return Sandinista leader Daniel Ortega to power or opt for another conservative government to replace that of President Violeta Chamorro. But a failure both to register 130,000 voters on time, almost 5 per cent of the electorate, and to get ballot slips to outlying areas, sowed the seeds of a dispute if the result is close. Even in the capital, Managua, where former United States President Jimmy Carter and former Secretary of State James Baker toured as observers, ballot slips had not arrived at some polling stations hours after voting was supposed to start.

Mr Ortega, 50, a leader of the 1979 revolution and president from 1984-90, is running against a conservative lawyer and col-

fee farmer, Arnold Aleman, of the Liberal Alliance, a re-hash of the coalition which Mrs Chamorro led to victory in 1990. The result should be known today, with a second round planned next month if no candidate scores 45 per cent.

Mr Aleman, also 56, headed the Sandinista leader by 20 percentage points in the summer but Mr Ortega narrowed the lead with a slick campaign in which he apologised for past mistakes and said he had switched to free market ideas. Hovering over the vote was the spectre of renewed civil strife if the result is close, if there are allegations of fraud or if armed groups in the central highlands carry out their threat of renewed guerrilla warfare.

Despite the 1990 disarmament agreement which ended a 10-year war between the army and the US-backed Contra guerrillas, about one-third of the

country remains under the control of guerrilla groups known as *las rearmadas* (the re-armed ones). A few are demobilised Sandinista soldiers but most are former Contra guerrillas. Although they number perhaps only 500 men in total, they control a large swathe of territory. At least one group, the Andres Castro United Front (FUAC), threatened to attack troops or police if they entered rebel territory on election day.

Voting appeared peaceful, despite heated campaigning. Sources in the Supreme Electoral Council, which oversaw the election, said the council came close to postponing the vote by a day when it became clear that the ballot slips had not yet reached many outlying areas. As well as president, voters had to choose national deputies, mayors, local councillors and representatives to the regional Central American parliament.

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international

Crusading champion has no answer to the power of Japan's ancient ties

Richard Lloyd Parry
Tokyo

Naoko Sato is the Chris Evert Lloyd of Japan, which is just as well given the athletic ordeal she has just put herself through. Twenty years ago, she was the country's most talented tennis player - 17 appearances at Wimbledon were followed by a career as a writer, sports commentator and celebrity. Yesterday, she stood for election to the Japanese Diet as a representative of Shinshinto, the New Frontier Party.

Ms Sato wanted to be elected as a woman of vision and ideas. Her manifesto speaks of the global environment, reforming the bureaucracy and a new course of nation-building aimed at the 21st century. "But the voters of Edogawa Ward, the Tokyo suburb where Ms Sato stood, had other ideas. They nodded when she talked of reform, but what they really wanted to hear about was the new local hospital and the big library which she is proposing. Above all they wanted to see the famous tennis player in person."

And so the 41-year old Ms Sato embarked on a punishing 12-day marathon - pounding the streets of Edogawa, in a campaign van and on foot, from morning to evening. "I'd like to believe they think about the higher problems," said Ms Sato last week, boisterous from eight hours on the stump. "But people vote on local issues."

Two election campaigns came to an end in Japan yesterday. The first was the familiar kind, conducted in press conferences and party political broadcasts, focusing on tax reform, welfare spending and security. But the decisive battle was fought elsewhere, in a thousand individual campaigns like Ms Sato's, lost and won for reasons which have less to do with politics than with personal ap-

peal, local gain and the almost feudal network of loyalty and obligation that runs like an invisible thread through Japanese life. The profoundly unpolitical nature of Japanese politics becomes clear on a stroll through Tokyo 16. Ms Sato's battleground in Edogawa Ward. Voters in the capital are the most sophisticated in the country, but it is difficult to find anyone who votes for purely ideological reasons.

"The parties are all the same," says Hitoshi Makino, 38, a taxi driver who voted for Ms

Sato. "Most of the people round here don't have any special loyalty, but the religious groups send their members to ask their friends to vote for a particular party, and some of those friends ask their friends. If you know someone who belongs to a party, that might be what makes up your mind."

"The truth is that I hold somewhat right-wing ideas," said Seiichi Tsuge, a shy-looking 50-year-old who voted for Yoshinobu Shimamura, the candidate of the conservative Liberal Democratic Party. "I'm a

militarist, you see, and I want to use my vote to stop the left-wingers." But personal connections lurk behind even the most ferocious convictions. "Mr Shimamura's cousin is also a friend of mine," he went on.

Behind many of the votes cast yesterday, lies the concept of *giri*, or dutiful obligation, which surrounds every Japanese from birth. You have *giri* to your parents, relations, teachers, friends, your clients and employer, and to the politicians who win government funding for new bridges, hospitals and libraries. For years it was common for construction companies which benefit from these handouts to recommend a favoured candidate. Employees were expected to vote accordingly.

Mr Sato has youth, ideas and celebrity but, as a woman and an outsider in a conservative area of Tokyo, the traditional networks of *giri* were closed to her. By ten o'clock last night it was clear she had lost to the 62-year-old Mr Shimamura, a former Education Minister, who represents everything that she is not. His father was elected in 1946 and for most of the 50 years since then, Edogawa has been represented by a Shimamura. Many of his supporters are children of the men who elected his father.

Throughout the country yesterday, voters surrendered to their conservative instincts and drifted back to his party. As the longest established of the main parties, the LDP has an unrivalled local network. Its near victory last night puts it in the strongest position it has enjoyed for three years. "Voters get the politicians they deserve," said an old man called Masayuki Sudo. "But Japanese thinking is still stuck in the 19th century. It makes me angry. Japanese people complain about the state of the country, but they don't know what to do to change it."

LDP in the lead

Tokyo — The "new age" of Japanese politics, which dawned amid great fanfare three years ago, appears to be drawing to an premature and apathetic close. In general elections yesterday, the conservative Liberal Democratic Party (LDP), which lost power in 1993 after 38 years of unbroken rule, came within a whisker of regaining its majority amid the lowest voter turnout in modern Japanese history, writes Richard Lloyd Parry.

The result was a fitting conclusion to a lifeless campaign which has disappointed already fading hopes of political change. In the absence of a simple majority the LDP will have to form another coalition government, although with a strengthened power base which puts the party and its leader, Prime Minister Ryutaro Hashimoto, in a commanding position.

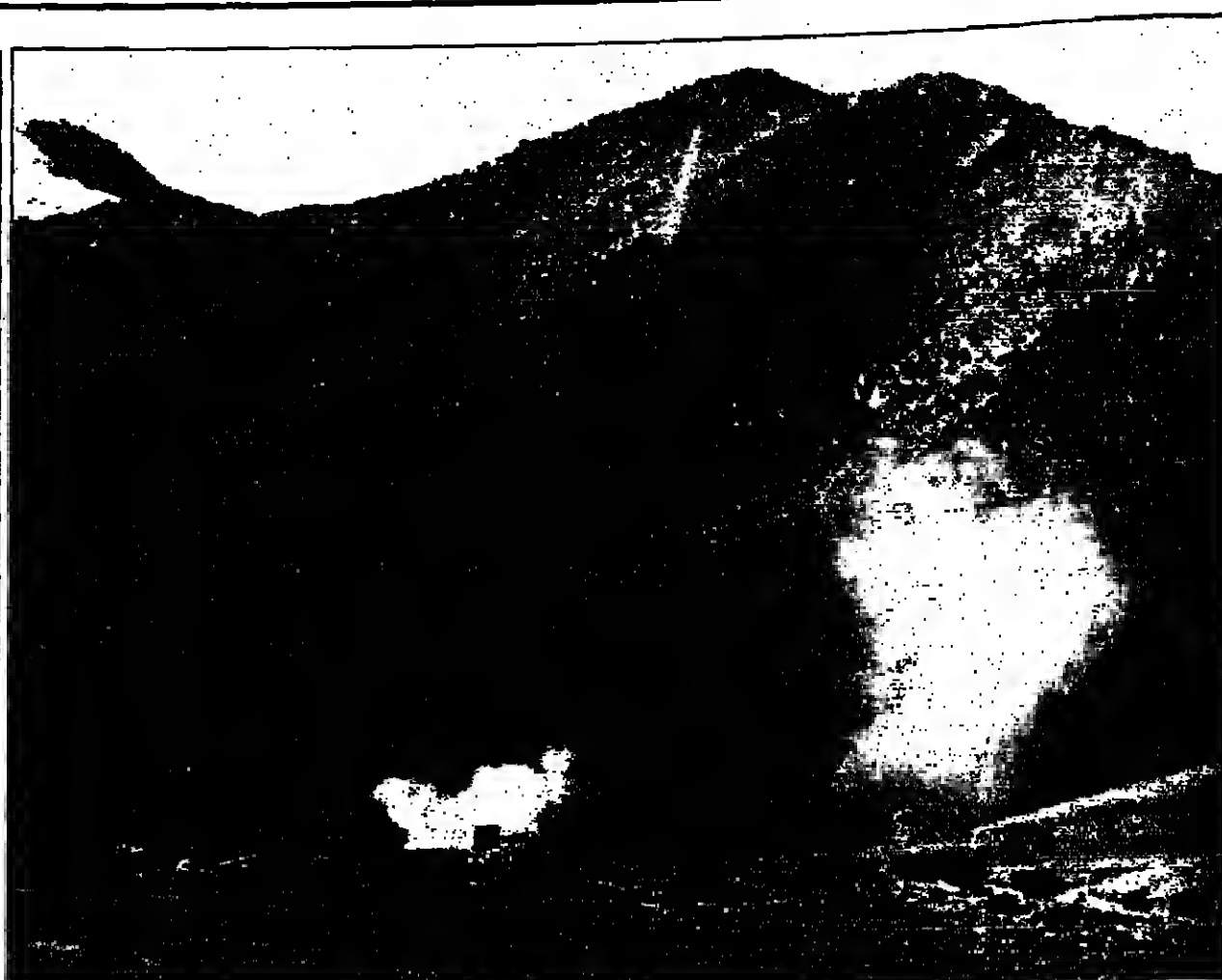
With all but a handful of the results declared, the LDP was projected to win about 243 of the 500 seats in the Lower House of the Diet (parliament), up from 206. Its chief opponent, Shinshinto (New Frontier Party) maintained its



Old timer: Kim Narita, 104, voting in Nagoya yesterday

pre-election strength with 160, but the Social Democrats, the LDP's traditional opponents and latterly its coalition partners, lost more than half of their 35 seats.

Voter turnout was a little under 60 per cent, the lowest since the Second World War. Those voters who turned out opted for a return to the stability of the past. Two out of five, however, could not care either way.



Mountain night: Taliban militia launch rockets, mortars, shells and artillery at positions held by ousted government forces 30km north of Kabul yesterday, taking the war closer to the Afghan capital. Photograph: Reuters

Drivers step on the herbs

Tim McGirk
New Delhi

Some of India's top scientists and politicians were convinced: Ponnaiyah Ramar Pillai, a school drop-out from a poor Tamil Nadu village, had made the most revolutionary discovery of the century. Using a few herbs, he could transform water into petrol.

It all started, or so Pillai claims, on a class picnic in 1978 in the Western Ghats rainforests. "When I lit up a stove, a spark fell on a small plant and the green leaves started to burn vigorously," he told *India Today*. "It later dawned on me that I had witnessed something very different."

The trouble was finding the plant again. Pillai dropped out

LOCAL HEROES

murthy, was convinced. "If this is true, we are sitting on a goldmine," he exclaimed after seeing Pillai's alchemy.

The excited Indian press compared Pillai to Albert Einstein. The Tamil Nadu state government promised him a patent, financial help, and 20 well-protected acres in which to farm his mysterious plants.

Then it all fizzled out. Last month, he performed the experiment before physicists and chemical engineers at the India Institute of Technology. When Pillai's petrol was sent away for analysis scientists realised something had been added to it. The mixture, which had started as one litre of water, was revealed, after the experiment, to be 400 ml of fuel and 900ml of water. Pillai's herbal invention was

nothing more than paraffin, naphtha, diesel and petrol.

The scientists demanded Pillai undergo a second test, using their instruments. It failed. Then Pillai insisted on using his own stirring spoon, claiming that its copper and iron composition was vital to the process. The scientists relented, but then one of them noticed the spoon had been hollowed out and filled with real petrol which Pillai had then released into the water. "It was nothing but a crude trick," admitted the DST's Mr Ramamurthy, who had been village inventor's biggest champion.

Yet in Tamil Nadu, Pillai has become a folk hero, who transmutes his leaves into petrol before thousands of cheering spectators.

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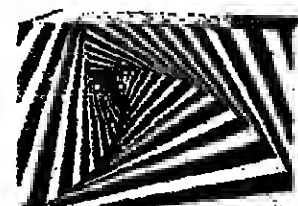
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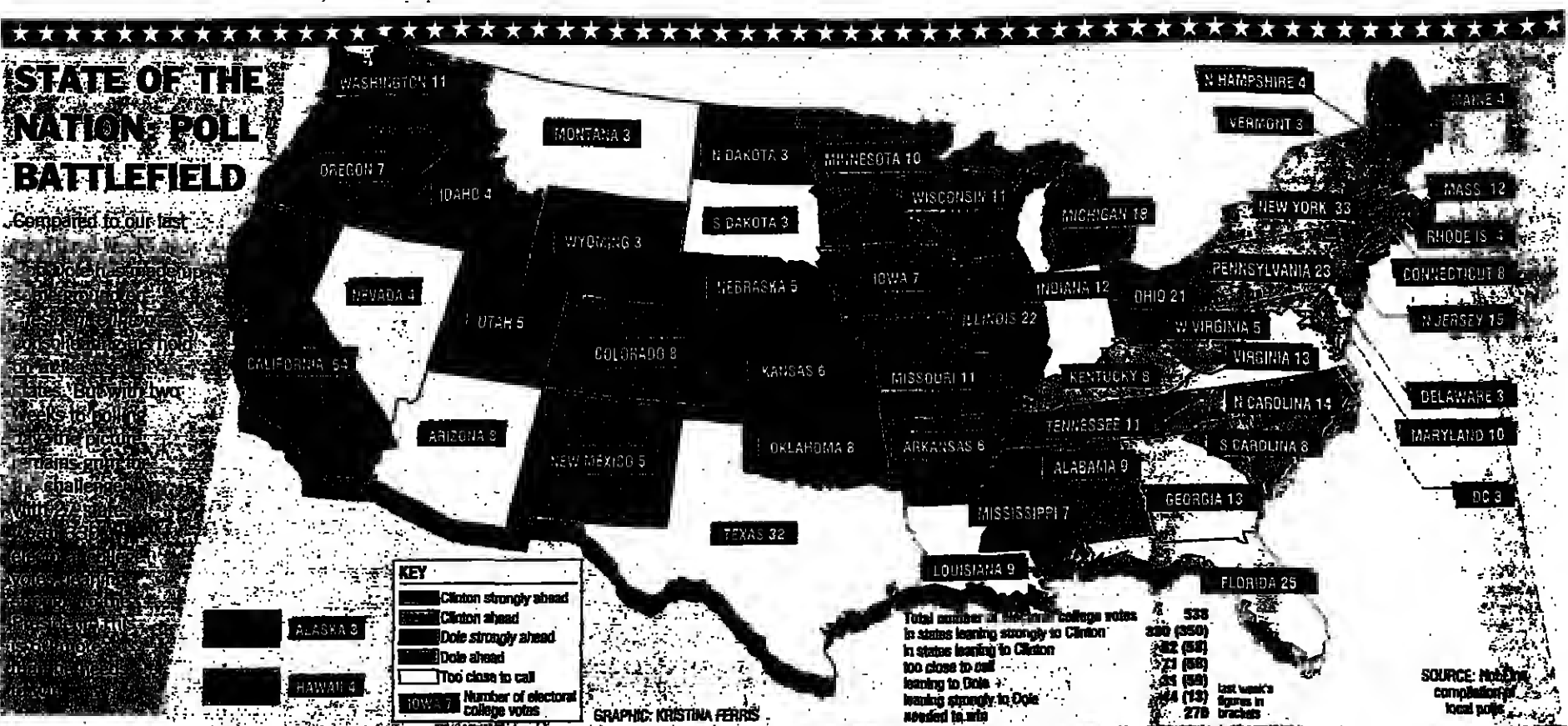


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Clinton victory may seal future of Congress



SUPREMACY CORNWELL
Washington

With President Bill Clinton's lead over his Republican challenger, Bob Dole, seemingly unassailable, the focus of the US election campaign is increasingly switching to whether the Democrats can achieve a clean sweep by recapturing the House and — more difficult — the Senate, on 5 November.

A fortnight before polling day, the latest state-by-state opinion poll by the Hotline (see map) simply confirms that the contest has moved barely a jot since mid-summer. President Clinton is heading for 400 or

more electoral college votes, way over the 270 required to win. Mr Dole's strength has been cut back to the Plains and Rocky Mountain states.

By common consent, only a thunderbolt from God or the Whitewater special prosecutor can at this stage produce an upset. Nothing seems able to change the campaign's momentum: neither Mr Dole's promises of tax cuts, nor his efforts to fan the controversy over the Clinton administration's "Indonesian connection" and the huge campaign contributions to the Democrats from East Asian donors, are impressing voters.

Matters might get even worse for the Republicans: two new polls published today and taken after the San Diego debate (which the public, if not the political pundits, reckoned Mr Clinton won) put Mr Dole 22 points behind.

This kind of margin would translate into a Republican disaster to match that of George McGovern for the Democrats in 1972.

The travel plans of the two candidates merely confirm Mr Dole's plight. Mr Clinton will be crisscrossing the South next week, visiting what are normally solidly Republican states, like Alabama and Florida, where the Democrats

THE US PRESIDENTIAL ELECTIONS '96

recount they have a prospect of winning. More important, a strong presidential showing here could help Democratic congressional candidates regain seats lost in 1994, and give back control of the House at least.

Mr Dole's itinerary is a mirror image. He is gambling all on winning California and its 54 electoral votes

Mystery illness kills 14

Elizabeth Nash
Madrid

A mysterious pneumonia-like epidemic that has swept a small town near Madrid for eight weeks claimed two more victims at the weekend, bringing the death toll to 14. The latest victim, a woman of 41, is the first non-elderly person to be felled by the bacteria, thought to be Legionnaire's disease.

More than 200 people in Alcalá de Henares, have been treated since late August and 33 people remain ill in hospital.

A committee of experts announced on Friday that "Legionella" bacteria had lodged in Alcalá's municipal water supplies and affected six refrigerated air-cooling towers north of the town. Once vapourised and expelled into the street, the bacteria suspended in the atmosphere formed a dangerously infectious environment. Most of those stricken live in the area around the cooling units.

significant shorts

Lithuania set for change

Lithuanians voted in legislative elections that might oust the former Communists after four years of tough economic reforms. The elections were Lithuania's second since independence in 1991. Opinion polls show the Conservative Party may unseat the ruling Lithuanian Democratic Labor Party, formerly the Communists. AP - Vilnius

Refugees flee Zaire camps

About 110,000 Burundian and Rwandan Hutu refugees have fled camps in south-east Zaire because of fighting nearby, a UN spokesman said. "It could very quickly turn into an emergency," UN High Commissioner for Refugees spokesman Paul Stromberg said. He said the Zairian military has reported fighting between Zairian troops and Banyamulenge rebels in and around the camps. The minority Banyamulenge, a sub-group of Tutsi, have lived in Zaire for generations, but with the arrival of Hutu refugees the group has been subject to violent attacks by local militias and discrimination by the Zairian government. AP - Bujumbura

Black boxes found in sea

An American salvage team has recovered one of the two black boxes from the wreck of an Aeroperu jetliner that crashed more than two weeks ago into the Pacific Ocean off the coast of Peru. Searchers also spotted the bodies of seven of the aircraft's 70 occupants and they will be recovered when ocean conditions permit, Aeroperu said.

So far only 14 bodies have been recovered since the crash on 2 October. Experts believe most of the bodies may still be trapped inside the Boeing 757, under 600ft of water. AP - Lima

Satanists 'set fire to church'

A church was set on fire near the Belarusian capital Minsk, and church leaders blamed a Satanic cult for the arson attack. Writing on the church walls in Zaslavl, 18 miles north-west of Minsk, proclaimed "Death to Christians", according to Belarus' Patriarch Filaret. This was the second time that "Satanists [have] desecrated Orthodox churches" in the former Soviet republic, he said. Last summer, Satan was glorified in slogans painted on the walls of the main Orthodox cathedral in Minsk. AP - Minsk

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Forty years on: Hungary's attempt to break the Soviet yoke failed, but memories of an 'ecstatic' revolution remain untarnished

The day a nation turned on its masters

Adrian Bridge
Budapest

Ferenc Holl was sitting on the banks of the Danube with his girlfriend when he first saw the crowd making its way across Margaret Bridge.

He could not believe his eyes – or his ears. It was the first demonstration Budapest had seen since the Communist takeover after the Second World War. The protesters, mostly students, were brandishing Hungarian flags from which the hated red star had been cut out. Placards called for the AVO secret police to be disbanded and for Matyas Rakosi, Stalin's Hungarian henchman, to be hurled into the Danube. Above it all rose the chants: "Russians go home!" and, "Now or never!"

Mr Holl, then a 23-year-old locksmith, joined the throng and marched to the headquarters of Hungarian Radio. They hoped the station would broadcast 16 demands, including multi-party elections and the departure of occupying Soviet forces. Instead they met gunfire. Some of the protesters replied in kind: the Hungarian uprising had begun.

"As soon as I saw what was happening, I knew I had to join in," Mr Holl said. "After all the years of police terror, the simple act of screaming in protest was wonderfully liberating. We were ecstatic, and the shooting only strengthened our resolve."

For the next two weeks, Mr Holl was one of thousands of

young Hungarians who astonished the world by daring to defy the might of the Soviets with little more than Molotov cocktails and home-made grenades.

He remembers that early euphoria as the Soviet troops, stung, agreed to withdraw from Budapest after the reform-minded Communist, Imre Nagy, was reinstated as Hungarian Prime Minister. He remembers the toppling of the giant statue of Stalin, the heady declaration that Hungary would withdraw from the Warsaw Pact and the vain hope that the West would come to Hungary's aid.

Finally, he remembers the sickening despair when the Russian tanks finally rolled back into the city.

On Wednesday, hundreds of veterans of the 1956 street battles will pay their respects to the 3,000 or 4,000 who died in the uprising – part of a series of ceremonies marking the 40th anniversary of the outbreak of the revolt on 23 October.

Although this is now the eighth year in which Hungary has been free to commemorate the anniversary, Hungarians are still not sure how to come to terms with it. Under Janos Kadar, the man who replaced – and executed – Imre Nagy, the revolt was labelled a "counter-revolution", master-minded by capitalists and fascists. Any discussion of the matter was taboo.

In 1989, as Communism collapsed throughout Eastern Europe, the "counter-revolution" of 1956 suddenly became a

"revolution" and a "popular struggle for freedom". In June that year, Nagy was given a hero's reburial.

"Just as in 1956 itself, there was a bright moment during the reburial of Nagy when the nation united around the idea of the uprising," Csaba Bekes, of the Institute for the History of the 1956 Hungarian Revolution, said. "[But] differences emerged over what it had all been about."

To the dismay of many Hungarians, the seven years since 1989 have been marked by bickering between the surviving freedom fighters, who feel they were the driving force of the uprising, and the intellectuals who master-minded it. The political parties have also fought for control over the legacy of the revolt and of Imre Nagy.

While the long-term aims of the uprising were never clearly defined, its suppression led to "goulash Communism" – Kadar's unique blend of Socialism and a limited free market, under which Hungarians could prosper – and forget about taking to the streets.

But the uprising remained a beacon of hope. "Like most revolutions it was irrational," Mr Bekes said. "Logically, there was no way the fighters would ever drive the Russians from Hungary or that Moscow would accept a democracy. For those taking part, the fact they did not stand a chance was not important. In the end people were simply prepared to sacrifice their lives for freedom."



Armed resistance: Russian and Hungarian tanks gather in Budapest in 1956, on the third day of the revolt against Soviet occupation. Photograph: Reuters

Communist rule meant singing silly songs

Imre Karacs
Bonn

Life under Communism often seemed like a tedious progression from one anniversary to another. The calendar swarmed with red-letter days, pageants celebrating Lenin's Great October Revolution, Labour Day and assorted liberations.

On these occasions, schoolchildren wearing their little red scarves were herded onto the streets and urged to sing the Soviet anthem and odes to the proletariat. All the world could see our faces lit up with joy, smiling at every stanza. It was indeed hard to keep a straight face whilst singing about "the shining wind blowing on our flag", or the improved versions that were so much more entertaining than the original. Instead of voicing our "yearning for peace" in the Communist youth hymn, for instance, we made a plea on behalf of "our rumbling stom-

achs". Our teachers, hiding their amusement behind handkerchiefs, pretended not to hear.

No such frivolity was allowed on the anniversary of our own Great October. The 23rd was always sombre. Some people made a furtive visit to the cemetery, perhaps lit a candle in the privacy of their living room, but the majority clenched their teeth and got on with the grim task of survival. Its significance could not be gauged from our history books, which devoted one paragraph to the "counter-revolution" of 1956, but we had extra tuition on the subject at home. We knew and they knew that on that day Communism had sustained a mortal wound.

The problem with the "counter-revolution" was that it was fought by workers against the greatest workers' power on Earth. It began with a peaceful demonstration in Budapest in support of Polish reforms. When the unarmed assembly of workers, peasants and the intelligentsia came under fire

from the secret police, it was the People's Army who fired back.

The Communist Party's leader, Janos Kadar, seemed to support the "revolution" and vowed to fight the Soviet tanks with his bare hands. But on being told that the Russians were about to send in 200,000 troops, Kadar fled, to return later in one of the very tanks he had threatened to annihilate.

On the morning of 3 November, short-wave radio sets around the world began to crackle with the news that Budapest was again under attack. The people scoured the skies, looking for Nato paratroopers. But there was no help. The Russians could fire their tanks at will.

What happened in Hungary 40 years ago can be cast as a heroic David-versus-Goliath battle, or as a futile gesture by the world's most suicidal nation. Either way, most of the relatives of the thousands who died seem to think that it was worth it. At least nobody in Europe has to sing silly songs any more.

Only saucy Britons can curry favour in France

MARY DEJEVSKY
Paris

Food from Britain, while "mad cow" disease is in the headlines, was never going to be the commercial success of the decade. But at the opening of one of the world's biggest food fairs – the SIAL – outside the French capital yesterday, the British were putting an admirably brave face on current difficulties and parrying the hackneyed inquiry "Where's the beef?" with peasants to the delights of lamb.

It wasn't British lamb, mind you, but English, Welsh, Scottish and even Northern Irish lamb – all displayed under separate flags or logos. Scottish and Irish meat stands tried hard to remind potential customers in their advertising – "quality beef and lamb from Scotland" – that they still produce beef, and are ready to start exporting as soon as the EU ban is lifted, though no one was under any illusion that it might be soon.

"Well, of course, we wanted to bring our beef here, you need to see it and taste it, but the French made clear that they would not let it in," said the representative of a Northern Irish company. "It's regrettable, but the French seem to feel very strongly about this," said another exhibitor.

The representative of a Scottish meat company, a Frenchman based in Edinburgh, wearing a sticker saying "I eat Scotch beef" (in French), insisted that his compatriots made an exception for Scottish beef. "We have customers trying to order Aberdeen Angus all the time, and we have to explain that we can't export it. French beef is really not very good," he added conspiratorially.

Potential buyers – for British meat of any kind – however, seemed few. "It's only hearsay," said one British exporter, but they do say that the beef problem has affected the reputation of British food generally."

Welsh lamb exporters disagreed, though, saying that exports had held up well. "Their worries about beef have made them forget their objections to British lamb imports," said one, referring to the time when French farmers stopped lorries loaded with lamb, complaining that cheap imports were putting them out of business.

Nationally, the British food industry is selling in Paris on an equal ticket. Along with the English tea, scones and jam, and Scotch whisky was a whole new wave of "British" food: Indian curry sauces, Mexican chilli, pizza mixes – and this year's special challenge to the French: "couscous in a pot".

"Just pour on boiling water, leave for three minutes, and there you are," said the demonstrator. And for anyone with any qualms about selling couscous to the French, the British variety is not only easier to prepare, but cosmopolitan in flavour: Chinese, Indian and Mexican.



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EMU: an informed leap in the dark

Newspaper editorials, like other sub-species of journalism, rest on certain unspoken assumptions. The reader is meant to imagine a sort of journalistic cardinals' meeting - domed heads and lank grey hair nodding - a lengthy conversation among the best people on a newspaper, through which Truth emerges by consensus. Editorials are doubt-free zones, the calm water beyond turbulent argument. Other parts of a paper are information, argument or provocation: the editorial Tells You What to Think. Its anonymity and authority are linked together. *Independent* readers may think that Andrew Marr is a fool or that Polly Toynbee goes nuts on religion; but the editorial is above personality or quirk. It is a sublime expression of the paper's essence.

A little old-fashioned? A touch condescending? We suspect *Independent* readers are not likely to accept arguments simply because of where in the paper they appear. And in some cases, the contrived impression of unanimity isn't only a white lie, but gets in the way of understanding. That is certainly so when it comes to the single currency, also known as the Euro or EMU. Show us someone who is absolutely certain about whether Britain should or shouldn't enter it and we will show you a fool. Internally, we have had, and will carry on having, serious and lengthy arguments about it. People here disagree passionately, as they do in all parties and - indeed - in any media organisation that isn't brain-dead.

This is the biggest single political decision facing the country; but it is also one of the most complicated. It can be reduced to an emotional hunch - to simple slogans about "giving away our country" or "rejoining European history". But on such an important matter we have a duty to try, at least, to work our way through the true balance-sheet. On page 8 we give a basic but, we believe, fair-minded account of some of the most important arguments on either side. We will continue to report the debate in detail. But our doubts and arguments don't abate us, or anyone else, of eventually trying to make a choice.

The Euro question is difficult, partly because it involves comparing unlike - how do you measure a loss of democracy against an increase in British

wealth and security, for instance? There are no formulae or instruments available, no subtle calibration of public good. And it is difficult too because it means guessing about the future. It has to be a leap in the dark. (Though this is not necessarily an image that persuades us to be cautious, since the original "leap in the dark", an early extension of the voting system, proved thoroughly sensible.)

But in this situation, it is still possible to assert a hierarchy of values, to say where you start from. For us, democracy matters more than modest adjustments in prosperity. We believe that EMU will bring a little more prosperity. We think that excessive European bureaucracy and rigidity will be washed away by the power of global competition; that if EMU works, it will require a strongly counter-inflationary central bank; and that therefore Britain would benefit both from strong and stable money, and from the lower transaction costs of doing business with the rest of the EU. Were there no democratic costs, we would unhesitatingly plump for British membership of the single currency in the first wave.

But we hesitate. We need to discuss whether British membership of EMU would be a significant anti-democratic step. It would, certainly, mean effective powers going to bankers on the continent - but most of this power is currently held by bankers anyway. If the latest negotiations between finance ministers are successful, the European Council of Ministers would retain the ultimate political power to punish countries that failed to follow orthodox economic policies. But, month to month, judgements currently made between the British Chancellor of the Exchequer and the Governor of the Bank of England would be taken by the new European central bank. The more such a bank were democratic - i.e. open to interference by politicians - the less successful it would be and the weaker would be our economic interest in being part of it. Conversely, the more economically successful it was, the less "democratic" it would be.

Of course, the making of monetary policy in Britain is not notably democratic today, for just the same reasons. But at least, if a British chancellor badly mishandles monetary policy, driving the country into a long and unnecessary deflation, or producing an inflationary binge, voters have the option

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of kicking him, and the rest of that administration, out.

As it happens, one of the problems of democratic politics is that voters tend to reward inflationary chancellors; indeed there is a case for arguing that democracy is inherently inflationary. But today, voters have at least the possibility of periodic rascal-kicking. Go into EMU and the rascals setting monetary policy can't be easily kicked out. You can kick out one

domestic minister on a multinational council, which in turn has an arm's-length relationship with the bank. But that's it.

So what? After all, Europe's national governments would retain many powers, over spending, and the detail of fiscal policy - though European union is in practice narrowing differences between countries on tax. Nor are we defending, as certain Tory romantics pretend, a strong democratic system at home. Indeed, British democracy is itself in an appalling state. A bent electoral system, a feeble parliament, an over-centralised state and cronyism in politics have meant that, for many people, our democratic heritage seems no longer worth fighting for. The fact that so many Eurosceptics tend to be older people may mean Britain has already produced younger generations so cynical about Westminster that they are effectively post-democratic in their thinking - and quite happy to be quietly ruled by bureaucrats. Today, a centralised and unreformed independent British state would offer few political advantages for millions of us over a European Union that took subsidiarity seriously.

We can go further. If we were sure that Europe was moving towards a tightly defined political centre, with more power for cities, regions and communities, we could declare for federalism, a new democracy. If Britons had more control over their communities, towns and regions, they would be in a better position to see powers over monetary policy move away from London, without worrying so much: the total amount of democratic influence and say would have increased, not diminished.

So why not enter monetary union quickly, and then turn to political reform? All we would be doing is passing over powers that are often misused by local bankers and politicians, from one decayed democracy to a bigger and admittedly less democratic system. The European Union would have progressed further towards supranationalism. Most people would quickly get used to the new currency and get on with their lives.

Here is the problem: Britain would have surrendered the ability to follow macro-economic policies that had not been agreed beforehand by other

countries. Democrats would be making the huge bet that, afterwards, the loss to our national system would be made up by reforms on the continent and at home. And, as a rule, democrats ought to be highly suspicious of such transfers, particularly since the EU has no democratic safety-valve. True, it has a democratically elected institution and its councils, as well as its famous bureaucracy. But these are too far away to make a living, multi-lingual and cross-cultural democracy; in today's Europe, seen from today's unreformed Britain the gap between voter and ruler is simply too large to satisfy a thinking democrat.

Again, this may not produce radically different policies. It may be that the gap between what a British government would get away with in the global markets, and what a European bank would order it to do, is now small. But there is some "give", some leeway in the system now: just as there is a small amount of leeway for governments to alter taxes, cut or raise spending and so on. Just as individuality survives in the small differences between us, so it is in those small areas of political leeway that representative democracy survives.

Britain should join the single European currency just as soon as we get a proper answer to the democracy question. It would make us richer, a bit. It would confirm that we have finally accepted our true place in the world. But the democratic question is a hard one. It may mean we never join; or it may mean that we join in the second wave, after Britain's internal democracy has been strengthened and when there is a strong reform movement for the EU too, committed to tightly defining the central powers of the Union, opening up the Council of Ministers, producing effective states' rights, and so on.

We are Europeans. We are not hung up on Westminster sovereignty, the pound or the Union Jack. But we are hung up on popular sovereignty and we do not believe that a single currency imposed by political leaders and bureaucrats on our already rupey domestic democracy, without popular support as a "lock" to protect European institutions, is a sensible or safe way to build this Union. Some of us define the position as No, but Others define it as Yes, but. But we wouldn't join in the first wave. And we'd want political reform before we joined at all.

LETTERS TO THE EDITOR

Congratulations, Clare, but new Adoption Bill will send us back to bad old days

Sir: I know how Clare Short feels ("Clare's baby, and her happy ending", 17 October). I gave my daughter up for adoption in 1969: we were reunited three years ago. It was an overwhelming experience to be able to begin to lay the past to rest, to know that there can be answers to all the questions you asked yourself, so often in secret. I wish her all the joy in the world.

Clare Short has done an enormous service to those thousands of women who still carry the scars of similar experiences, simply by going public. But there is more she could do. Her position as both birth mother and MP means she is uniquely placed to challenge proposals in the draft Adoption Bill which is due to be introduced in the coming session. Unless it has been substantially amended in the interim, it will take us way beyond the bad old days.

Proposals in the draft Bill allow children to be placed for adoption without parental consent even when they are not considered "at risk" if, in the opinion of professionals, it is "in the best interests of the child". What those interests might be is not defined.

The process of recovering a child once such a placement order has been made would be extremely difficult. The mandatory time lag between a birth parent consenting to placement and signing final adoption papers is removed. It is difficult to believe that pressure will not be put on women to give consent to both placement and adoption at the same time, allowing no opportunity for reflection.

Counselling will be mandatory but provided by involved professionals or agencies: it would be disingenuous to believe it can be independent and disinterested. And agencies will be allowed to move children from placement to placement without a return to court and, by implication, the consent of birth parents.

The subtext is clear to me - and I suspect to every 1950s and 1960s birth mother. Once again, social circumstances will dictate who is put under pressure to give up their babies to "proper" parents at a time when they are at their most vulnerable. But this time, the force of law will be

added to the psychological pressure I remember all too well. I know that when I gave up my daughter, I made the only responsible decision I could have made at the time. But that has not spared me years of guilt and shame and bitter regret. Clare Short will recognise these feelings. I hope she will do all she can to try and spare women in the future such pain.

LINDSAY COOKE
Isleworth, Middlesex

Sir: Congratulations to Clare Short and Toby Graham on their reunion. For Clare, her wait is over. Sadly, however, if Toby had not searched for her, she would still be suffering her painful loss in silence, as are many other birth parents.

The Contact Register is only of limited value, as so few know of its existence. Is it not time that the law concerning contact between adults after adoption were revised, to enable the birth parent to have identifying information once the adoptee is 18 or possibly 25?

It is not only birth parents who are affected by adoption - grandparents, brothers and sisters too are separated. The proposed Adoption Bill is an ideal opportunity to address this issue.

SUE GREENWOOD
Royton, Greater Manchester

Sir: We all thrill to the romantic scenes of Clare Short and her newly restored son: it cannot fail to touch the emotions.

But a small plea to all concerned: don't forget the people who did the parenting after Toby was born, the mother and father who wiped his bottom, gave him cuddles, provided his material needs and gave him the emotional strength and encouragement to find the two people who created him 32 years ago but, for whatever reason, could not do these things for him.

LIV O'HANLON
The Adoption Forum
London

Sir: I thought I had had the Sun delivered by mistake! How can the reuniting of a woman and her child given for adoption 30 years ago possibly be considered worthy of comment in a serious newspaper, no matter how



sympathetic, or famous, the people concerned may be? To plaster the story with a photograph, all over the front page must be a serious editorial misjudgement.

I hope this is not a sign of the direction *The Independent* is moving in. Exclusive stories are only as interesting as the actual content of the story, not merely the virtue of having been dug up by or (perish the thought!) "offered to" one newspaper in advance of the others.

ANN DE'ATH
Chesham, Buckinghamshire

Cartesian comfort

Sir: As one who has been unemployed for four years and ineligible to claim unemployment benefit (correction, Job Seekers' Allowance) since expiry of the first year (now reduced to six months), I find it less than heartening to be excluded from the unemployment statistics ("Good news on jobs conceals a painful truth", 17 October). In some quarters I cease to exist. Never mind - I will continue to rely on Descartes' *Cogito ergo sum* ("I think, therefore I am").

BRENDAN SMITH
Purley, Surrey

Labour burgled in Putney too

Sir: I share the concern expressed by David Mellor (15 October) about the strange happenings in the Putney electorate.

Some months ago, soon after I was named as the Labour prospective parliamentary candidate for Putney, my home was burgled and filing cabinets containing private financial information were rifled.

Shortly afterwards, on a Saturday morning, I had an unexpected and unannounced visitor claiming to be from the Inland Revenue Department, asking for details about certain financial matters. I declined to give the information to him, he left saying he would return, and I have not heard from the Inland Revenue again.

As soon as David Mellor and Sir James Goldsmith stop hitting out at each other, perhaps they will join me in discussing the real issues facing the electorate - high taxation, unemployment, the national health service and education.

TONY COLMAN
Labour Parliamentary Spokesperson for Putney
London SW15

Sir: We should all be grateful to Jimmy Goldsmith and his chums for publishing the images of the 20 European Union Commissioners (two of whom are British).

They look a reassuringly sane, sensible and dependable bunch - just what we need to protect us from the squabbling rabble at Westminster.

It is also consoling to know that we Brits have a 10 per cent say in "calling the shots" in Germany, France, Spain, Italy, Portugal, Holland, Belgium, Ireland, Sweden, Denmark, Austria, Finland, Greece and Luxembourg.

PETER J BOFFIN
Norton, Isle of Wight

Sir: To the extent that the Referendum Party (advertisement, 15 October) is not already aware of the fact, perhaps you would inform your readers that with one minor exception relating to the coal and steel industries, the European Commission has no law-making powers of its own.

The laws of the European Union are made by the Council (ie the governments of Member States) together with the European Parliament.

It must be a matter of some regret that a political party which holds itself out as having something of importance to communicate in the public peddles nonsense instead.

DAVID GILMOUR
Overijse, Belgium

One-stop health centres invented 45 years ago and then forgotten

Sir: When the Attlee government established the National Health Service ("Sainsbury's could run family doctor clinics", 15 October), local authorities were authorised to provide comprehensive health centres - eventually, it was envisaged, in every neighbourhood.

These would afford, under one roof, accommodation for doctors (in group practices), dentists, district nurses, midwives and health visitors, ante-natal, maternity and child welfare, child guidance, speech therapy clinics and other services.

The London County Council proceeded at once to design and construct two such centres. By the time the first was completed, at Woodberry Down, there had been a change of government and the opening ceremony, which I attended, was performed by the new Minister of Health, Iain MacLeod.

After the usual complimentary remarks, the minister stunned his audience by announcing that no further comprehensive health centres would be authorised by his government until the few already built had been evaluated.

It seems that after only 45 years' "evaluation", the Tories have come round to the view that one-stop primary health centres were not such a bad idea after all!

R W WILD
Neath
West Glamorgan

Sir: The Government can neatly, easily and quickly address the present NHS funding concerns

("Back to the future with cottage hospitals", 16 October) by carrying one of its own White Paper ideas in its logical conclusion.

If community pharmacy were fully integrated into primary care, a saving of £1.5bn could be achieved in the first full year and a slightly smaller sum in subsequent years - say £5.5bn over the lifetime of a government.

It is a proposal which deserves rapid implementation for the benefit of all those involved - the patients, the professions, the NHS and any government.

DR STEVEN FORD
Haydon Bridge, Northumberland

Sir: As a recent and grateful beneficiary of expert medical services on both sides of the Atlantic, I read your correspondent's recent account of his experience at Washington DC's Georgetown University Medical Center ("Let's play at being doctors", 17 October) with a degree of sympathy but a greater measure of disgust.

What a pity that he was not able to record his travails without also striking revealingly reprehensible notes of sexism, racism, ageism and homophobia.

If your correspondent's behaviour in America was as disgraceful and discriminatory as his commentary was ungracious and cranky, it is small wonder that he found his "11-year-old" doctors' treatment so hither a pill to swallow.

WILLIAM A H KINNUCAN
New York

Utility job cuts no harm to taxpayer

Sir: David Blunkett's accusation that taxpayers have picked up the cost of job losses in the utilities ("Utility job cuts cost taxpayers £800m", 14 October) is unfounded.

While it is true that in the electricity industry staffing levels have been reduced, they have been done so largely through voluntary severance and early retirement packages. Such satisfactory settlements have meant these individuals have not needed to rely on state benefits. In fact many of them are paying income tax on their pensions.

At the same time the industry contribution to the Exchequer is considerable. Since 1990 the Government has received around £24bn: sale proceeds from privati-

sation amounted to some £15bn and currently the industry pays over £bn per year in corporation tax. Last year alone the industry's annual VAT payment was £2.5bn.

As with any commercial business, it is not appropriate to employ more people than is necessary. One of the results of such increasing efficiency is the falling cost of electricity to all customers. Domestic prices are now 11 per cent less than six years ago, after allowing for inflation. Industrial prices, under contract are as much as 16 per cent cheaper in real terms than in January 1994.

PHILIP DAUBENEY
Chief Executive
Electricity Association
London SW17

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essay

What gives bishops the right to tell us how to vote?

The Catholic episcopate did not sit down one day with a blank sheet of paper and a few bright ideas before making their unprecedented foray into British politics. They drew on a coherent philosophy of social teaching which has been 100 years in the making writes Paul Vallely

It is usually sex which gets the Catholic Church into the headlines. Contraception, abortion, celibacy, misogyny or sexual abuse by priests – such is the stuff of which news is normally made by what appears to be a sex-mad church in a sex-mad world.

But today its bishops venture into a new area of controversy – one which hitherto has been the preserve of the Church of England – politics. The manifesto for a better Britain which they launch today has already been dubbed by one Catholic paper "The Bishops' Guide on How to Vote". The fact will surprise many, yet anyone who knew anything about Catholic Social teaching might have seen it coming.

Not that many people do know anything about it. Though Catholicism's own brand of communitarianism has been steadily and comprehensively developed over the last century, under nine popes, it has been little publicised. "The Church's best kept secret" is how one was branded it.

Yet, if some will suspect the bishops of England and Wales of being political in the timing of their campaign to make this doctrine better known, they cannot be vulnerable to the charge that their social policy has been made up as they went along, at the whim off the latest fad or ideology, or by arbitrary exercise of their individual consciences. In a sense, of course, the church has always had views on

social issues. The Old Testament is full of concern for the poor, the widow and the stranger, and the New extended that to a wider group of the marginalised and oppressed. Throughout history it has been played out in different forms.

The early decades were characterised by a "love communism" as possessions were pooled by the first Christians, who thought that goods were unimportant since the world was just about to end. Later, when the faith was institutionalised under Constantine, and in the millennium of Christendom which followed, it developed a feudal sense of common purpose. For this the great medieval theologian Thomas Aquinas coined the phrase "the common good" – which 800 years on is the name the English and Welsh bishops have given to the document they publish today.

But it has been the battle between capitalism and communism which has forged the coherent philosophy which undergirds today's raft of episcopal proposals. The result is a collection of policies which defy neat party-political categorisation, though no doubt many will try to cram them into such a template in the coming days.

Controversy has bedevilled the church's social policy since the publication of the first of its 14 major social encyclicals, *Rerum Novarum*, by Pope Leo XIII, was published in 1891 as a response to the rise of communism. Faced with the industrial revolution, the exploita-

tion of workers and the greed of a "tiny group of extravagantly rich men" its conclusion was – mildly – to ask the poor to be patient and the industrialists to be more careful. Yet it was condemned at the time as a socialist document (even though it specifically attacked socialism) because it proclaimed the primacy of people over things.

On that premise today's bishops base their unfashionable insistence that labour must take precedence over capital. The document which they want five million Catholic voters to consider before the general election, has hard words to say about the "dumping" of redundant employees in company downsizing operations during the takeovers, closures and mergers which the bishops condemn as a significant cause of modern social injustice.

Long after *Rerum Novarum*, the church remained on the side of the rich. Forty years later, Pope Pius XI acknowledged in *Quadragesimo Anno* that capitalism spread "all the errors of individualistic economic teaching... which lets only the strongest survive... those who give least heed to their consciences". But he had no solution in mind. He simply made a plea for social responsibility, and articulated for the first time the principle of subsidiarity – that decisions should be taken at the lowest level consistent with good

government – in an attempt to minimise the concentration of power in the hands of a few. His successor, Pius XII, concluded after the failure of fascism that capitalism was the only way to safeguard freedom and combat both poverty and communism.

Everything changed with the Second Vatican Council in 1962. The revolutionary gathering of pope and bishops – which with its first public document ended the Latin mass which had been the norm for 15 centuries – transformed the church. It began the council a closed, hierarchical institution focused on its sacramental life. It ended as a body which looked optimistically out to the world to read what the council's closing document, *Gaudium et Spes*, in 1965 called the "signs of the times".

Vatican II reduced the church's reliance on its old philosophical style of thinking based on scholastic "natural law" and replaced it with an attempt to allow the Gospel to interact with the "joys and woes, the joys and anxieties" of the age. Catholics were told to join in secular public life. It was the beginning of the process of breaking the alliance between Roman Catholicism and socially conservative forces. The fruit of that new openness is evident in today's document.

From the next pope, today's document takes the insight that social concerns cannot simply be about the relationship between individuals or classes. They have to encompass nations too. Economic justice is essential for peace, said Paul VI in *Populorum Progressio* in 1967. His vision was more utopian. He condemned unbridled capitalist liberalism, because it paved the way for a particular type of tyranny. He insisted that free trade was, by itself, no longer adequate for regulating trade between the rich and poor worlds. He wanted an international regulatory body, which prompted the *Wall Street Journal* to dismiss his encyclical as "warmed-over Marxism" – which is why, perhaps, the English bishops today are less ambitious in considering the Third World, calling more specifically for fewer protectionist tariffs on the goods of poor nations entering the European marketplace.

They appear to have extrapolated from Paul VI in the domestic area, however. The pope had rich and poor nations in mind when he wrote: "When two parties are in very unequal positions, their mutual consent does not alone guarantee a fair contract; the rule of free consent remains subservient to the demands of the natural law." Today's document applies that to modern employment practice, insisting that the replacement of collective bargaining with indi-

vidual contracts can be a serious cause of social injustice.

The document's pronouncements on employment draw on two other papal sources. Relying on the principle of the common good, the bishops strike at unions which direct their strikes at the public rather than their employer. But it is to the present pope they chiefly turn in this area. Work is at the centre of all social issues, wrote John Paul II in *Laborem Exercens* in 1981; work not only expresses human dignity, it also increases it.

The Polish pontiff, as might be expected, is keen on Solidarity – not just the compatriot trade union of that name but the principle it embodies. Solidarity – the recognition that we are responsible for one another – is, he has written, the foundation of community. It is not a transient feeling but a "firm and persevering determination to commit oneself to the common good." The UK bishops call on Catholics to join their appropriate trade union. The recent decline in union membership in Britain is not healthy for society, they say. And the refusal by companies to recognise or to negotiate with unions is wrong. Laws may have to be introduced to force employers who refuse to recognise unions or who refuse to conduct collective bargaining.

Catholic Social Teaching is an area which John Paul II has developed more than any other pope, with five encyclicals on the subject. One of his most distinctive contributions is on the notion that sin can be social as well as personal. It can reside in economic and political structures which force individuals into sin. And we may all be complicit in injustices which at first sight do not appear to be our moral responsibility.

"Those who cause or support evil or who exploit it, or those who are in a position to avoid, eliminate or at least limit certain social evils but who fail to do so out of laziness, fear or the conspiracy of silence, through secret complicity or indifference, or those who take refuge in the supposed impossibility of changing the world and also those who sidestep the effort and sacrifice required" are all culpable, he wrote in *Reconciliatio et Punitio* in 1984. "Obstacles to development," he added in *Sollicitudo Rei Socialis* in 1987, "have a moral character". These he described, borrowing from the vocabulary of Liberation Theology, as "structures of sin": underdevelopment in the Third World is linked to "super-development" in the "so-called civilisation of consumption and consumerism [in which] one quickly learns that the more one possesses the more one wants."

In the run-up to the British general election the nation's bishops are not reticent about identifying such structural evil. Drawing on the Vatican's worldwide network and diplomatic service, they locate it in unjust trading policies with poor nations, the continuing burden of "unpayable" Third World debt, and harsh IMF and World Bank structural adjustment pro-

grammes which cut health and education provision in Africa and Latin America.

The philosophical framework of the common good, with its pillars of solidarity and subsidiarity (a concept borrowed in recent years by politicians throughout Europe) are tempered by another key principle – the Christian "option for the poor" which insists that preference should always be given to the most vulnerable in society.

Such a framework, the bishops insist, places them above party politics. The Common Good is fundamental to Conservative tradition, concern for poverty is at the heart of Labour's heritage and an emphasis on local democracy is a cherished Liberal Democratic tenet.

And indeed there are some accommodations of more conservative political outlook. In 1991, John Paul II marked the 100th anniversary of the first social encyclical by publishing *Centesimus Annus*, a document which was much more ambiguous in tone. He did warn yet again of "savage capitalism" and the "idolatry of the market". But this time his criticism was balanced with some adverse remarks about the welfare state – apparently under the influence of the right-wing Catholic philosopher Michael Novak – which the Pope said promoted dependency, sapped people of energy, created bureaucracy and vastly increased public spending.

A similar countervailing tendency is evident in today's UK document. It too contains sections on the importance of wealth creation and the need for bad employers not to be subsidised by the taxpayer through the payment of income support to those not in receipt of a wage. These sections are apparently strengthened at the insistence of Cardinal Hume, who took advice on the overall document from his brother-in-law, Lord Hunt, the former Cabinet Secretary.

Not is there any compromise on morality. The bishops draw on the sentiments of the present pope, whose 1993 encyclical *Centesimus Annus* warned of the consequences of an alliance between democracy and ethical relativism. Democracy is not enough, the bishops insist. It can produce the tyranny of the majority and the reduction of rights of the minority. To work, democracy needs a system of common values to undergird it. Politics today in Britain "badly needs re-moralising".

It is a call to which politicians will be unsure how to respond. The sum of all the bishops' parts does not conform to a creature to be spotted in any of the usual British political fieldglades. Yet they will have to find a way. Today's document marks a new stage in the growing self-confidence of their church. After generations of anti-Catholic prejudice and association with the special pleading of Irish immigrants it has lost its defensiveness. With the Church of England convulsed in its continuing crisis of confidence, we can only expect to hear more from the Catholic bishops.

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In loving memory of the same old story



Miles Kingston

"Have you noticed how common memorial services are getting?" said the young man next to me at dinner the other day. "There are all sorts of people getting memorial services these days who never had them before."

"That's true," said his girlfriend, with whom I had just had an amusing conversation about babies, although she had thought we were talking about babies, which had led to some confusion. "In the old days you had to be very famous or very royal to get a memorial service."

"Or an actor," said the young man. "For some reason theatre people love having memorial services."

"That is because theatre memorial services are basically dollops of gossip served up to look like tributes," said the distinguished-looking older man opposite, a bit older than the rest of us. "But all memorial services are improvements on all funerals. There are at least two things dreadfully wrong with funerals."

"What are they?" said the young woman who preferred to talk about babies rather than babies. "The first great advantage of a memorial service is that there is no corpse," said the oldest man present. "And the second is that the vicar is edged out of the spotlight. Nothing like a vicar to mess up a funeral. At a funeral, the vicar is often the only person there who never knew the late lamented, and yet he always gets to deliver the funeral speech. Gross mismanagement. I always dread it when the vicar gets up at a funeral and put on his silky voice and says: 'I never knew Alexander very well,' and everyone in

the congregation is saying inwardly, 'And if you did, you would have known that everyone called him Sandy.' Yes, give me a memorial service every time. Although it was at a memorial service that I had one of my worst shocks."

He trailed away into silence, waiting for someone to prompt him. I obliged.

"Tell us about it."

He needed no second invitation.

"I had been invited to say a few words at the memorial service of a politician that nobody liked. I alone among the guests did not know him well enough to dislike him. I accepted. I got up at the service and told the company how among other things the late lamented had once been of great comfort to me. I said that at a time when my marriage had been undergoing a lot of strain, I had asked this man, the late lamented, for advice, as he had had three marriages shot from under him and presumably had learnt something from this. "The congregation went very still. They were not expecting anything so personal. He paused, I told them, and

then he asked me if I ever went sailing. I said I did not. He said that if you went sailing you soon realised that there was a bond between the captain and the crew which it was impossible to explain and that even when things seemed bad between them, even when they fought and sulked and grumbled, the need to sail the boat properly and safely overcame all petty divisions between captain and crew."

"I told the congregation that I had thought about this for a moment, and had then asked the late lamented if he was telling me to work harder at my marriage. 'Certainly not,' he replied; 'I am recommending you to leave your wife and take up sailing!'"

This got a roar of laughter at the service, and many people told me afterwards that it had cheered everything up at exactly the right moment. However, one man came up to me looking very serious and said that he had been present at the memorial service of a Scottish judge two years previously, at which I had also spoken, and that I had told exactly the

same story about the Scottish judge as well."

The distinguished-looking man paused.

"I looked at this man straight in the face and said that it was no doubt true. The reason I said it was no doubt true was that I always delivered the same speech about all late lamented friends, as it saved much time and energy. The man, who was a well-known journalist, said he hoped I would not mind if he put this story in his gossip column... I said I did mind very much but I did not think I could stop him. I was wrong in this, however, as several minutes later, as we were walking back along The Strand, I managed to tip him under a bus. He did not survive. I was asked to speak at his memorial service, but begged to be excused."

The distinguished-looking man fell into silence and shortly afterwards went home. We begged our host to tell us whether the story was true.

"Not a word of truth in it," said our host, "but he always tells it at dinner parties and I never tire of hearing it."

مكتبة من الأناجيل

Father won't pay? Punish the mother

How odd that the icon of the mother and child, that universal symbol of harmony, should have become the battleground for all our moral values. All weekend calls have jammed the campaign switchboard for donations to Diane Blood's legal costs in her fight to use her dead husband's sperm. Personally, if I were her friend, I would strongly advise her against having her dead husband's child and I would suggest it is time to move on in her life. But it is none of my business if that is what she is determined to do. *The Independent* supports her right to choose. We hope she wins, and the law is changed.



Polly Toynbee

The CSA is caving in to a vast male conspiracy to break the law on child support

Now what is odd is with what strange bedfellows we find ourselves in this cause — the *Daily Mail*, the *Times* and the *Sun* among others. Suddenly they are hell-bent on creating the thing they most fear — a fatherless child. Of all those they have blamed most in the past, it has often not been the feckless 16-year-old mother, but the mostly imaginary hordes of "go-it-alone" middle-class women, the harbingers of the permissive society whose bad influence led us to the current pass of 1 million single mothers on social security.

So what makes Mrs Blood their heroine? Why is she different to any other woman deciding to have a child alone — any other competent woman who, like she, has a strong extended family and the means of supporting herself and her child?

Everywhere we turn these days single mothers, either divorced or never married, are at the fulcrum of a furious debate. Social security, law and order, crime, the behaviour of children in schools, any discussion of anything called "values" or "standards" turns within moments to point the finger of blame at them.

The Child Support Agency was set up to calm some of the alarm by ensuring that fathers could not abandon their children and get away with it without penalty. But the Government, greedy for quick returns, killed the golden goose on day one by re-opening old court settlements and "clean-break" deals, instead of starting gently with just the new cases. The agency may never recover from the climate of resistance it created. Fathers still won't pay. It is the poll tax all over again.

Although the CSA is better run than before, men's mass refusal to pay continues. The media have largely got bored with it, but the figures remain a disgrace. Of all the fathers who have been assessed as due to pay, only half pay anything at all and only 20 per cent pay the full amount. Large numbers of the self-employed get away scot-free because the CSA has no access to tax records, and has not the expertise to deal with complex finances. Of those fathers who do pay 45 per cent only fork out a piffling £4.80 a week, hardly worth all the bother.

But astonishingly it is the single mothers and not the fathers who are feeling the tightening

of the screw. The CSA formula has been relaxed for fathers in a vain attempt to persuade them to comply. Various expenses have been made deductible and a large number of those who refused to co-operate have been put into the backlog of 350,000 cases who will probably now never have to pay a penny in a mass pardon for maintenance dodgers.

And yet the single mothers, who have so far gained so disappointingly little from the CSA, now feel the whip on their back instead of the carrot. From the beginning of this month the penalties imposed on women refusing to co-operate have been increased to a steep 40 per cent of their benefit.

Mrs W is spitting blood about the CSA and how it caves in to pressure from fathers. True, her case is extreme, but it stands as a good metaphor for the way the agency is letting thousands of fathers off the hook. Her former husband, father of her two young daughters, pays her nothing. He is also father of three children by a former wife, to whom he has never paid anything, and now has a fifth child by his present partner. She went to the CSA three years ago. The case

dragged on, he refused to fill out forms, and finally, when a CSA officer caught up with him, he said he would shoot Mrs W and it would harm the children if he did. The CSA did what every citizen should do and went to the police to report a criminal threat. The police drew up a file and wanted to proceed with the case, but it required the CSA to sign a witness statement about the threats. At that point the CSA refused to sign, and the case was dropped. They decided to drop the whole claim because of a clause in the act that says they must have regard to the welfare of the children. Plainly if their mother was killed, the children would suffer. Mrs W, outraged, went to a tribunal which, astonishingly, upheld the CSA's decision, because, they wrote, "Mr S told us that Mrs W has reasons to be afraid of him".

She has just been granted legal aid to take the case to judicial review. Can any man who promises to kill his ex-wife make the CSA run away? Apparently so. If refusing to fill out forms, if making trouble, if making your financial affairs impenetrable to a low-grade clerical officer doesn't work, then just bellow a threat. That works.

The large and sophisticated fathers' network knows every twist and turn of every case as it is happening. The grapevine and its cawleters let everyone know the latest wheeze — Network Against the CSA, Families Need Fathers, DADS (Dads After Divorce), Families Against the CSA and a dozen others are the most effective organisations ever to spring up spontaneously in political revolt. This is a huge middle-class male conspiracy to break the law. Could we have a bit more moral outrage about them, perhaps, and a bit less hysteria about the turpitude of single mothers?

The chicken and tomato problem

By Charles Arthur



The food industry has grown so big that it has lost sight of what it exists to do: provide products that we all need to survive

Imagine this. You walk into your local supermarket and in the bakery section find two loaves. One is blue, the other looks normal. A note below explains that there is no difference in the taste, recipe or dietary effect of the loaves, except that the blue one includes soya extract that was genetically engineered to be resistant to pesticides. It's the same price as the normal one. Would you buy it?

This hypothetical question is about to come true some time in the next couple of months, all over the supermarkets and food shops of Britain, and anywhere else in Europe that allows it — except that the genetically engineered loaves won't be blue, nor will there be a label to tell you which loaf is which. It's conceivable — likely, in fact — that every loaf in the store will have some genetically engineered contents. You simply won't know, and the stores won't be able to tell you.

It's not just the loaves, either: 60 per cent of the products in the supermarket — anything including soya or soya oils or extracts, including such staples as margarine, biscuits, cakes, sauces, oodles, pies, cooking oils, salad dressings and pizza bases, will also contain genetically engineered soya or its extracts.

Is that bad? Up to 85 per cent of European consumers think so: they say they would like to know if food has been genetically modified. Understandably. They would be eating something that their bodies had never encountered before, something that could not arise in nature. Environmentalists and scientists argue that the stretches of DNA which confer the herbicide resistance could interact with bacteria in the gut to produce strange new hybrids with unpredictable properties.

Is this worry well founded? Such jumps do happen; it's part of the mysteries of genetics. Nobody knows the full story of how genes truly operate and interact. The science journal *Nature* commented in an editorial last week that such a sequence of events has "a low probability, but the risk, nevertheless, is there, and a matter of genuine scientific debate."

We will have no chance to debate the matter. Scientists, shopping chains and consumers will have the changes imposed on them by a combination of commercial steam-rolling and government and consumer apathy.

The stores aren't actually very happy about this. All the major supermarkets pledged earlier this year that they would always label genetically engineered foods, so that customers would know what they were buying. When tomato puree made from tomatoes genetically modified to stay fresh longer (by switching off an enzyme-producing gene) went on sale in February, it was proudly labelled. One supermarket proclaimed: "If Sainsbury's are to sell further products developed with the aid of

genetic modification, these will be labelled." Eight months later, they are beating the retreat. "We have been forced to accept that we won't be able to label [soya products] separately," said a spokeswoman for Sainsbury's recently. The problem is, they don't have any way to prevent it. The soya is being grown on the other side of the Atlantic, and will this year make up about 3 per cent of the harvest. The powerful American Soybean

Association has decided that it would be too expensive for its members to separate out the genetically engineered crop, and so it is all going into the same hopper. It's a multibillion-dollar industry, and the concerns of a few scientists not on their payroll, and of some environmental pressure groups, are not going to sway them. It doesn't stop there. Ciba-Geigy, the Swiss giant, has developed a form of maize that has been genetically altered to produce a chemical that poi-

sons a troublesome mite called the corn borer, which normally chews out the stalks of the young crop. It is lobbying hard to have it accepted for wider use.

However, the maize has not been approved by the EU Council of Environmental Ministers. The UK's Advisory Committee on Novel Foods and Processes was concerned by the addition to the maize of a gene that confers resistance to ampicillin, a widely used antibiotic. It argued that the gene could jump to the gut bacteria of animals that ate the unprocessed corn. The result would be bacteria resistant to ampicillin.

Europe may have the US soya imports but that could trigger a small-scale trade war. So, at present, only Germany looks like it might take action, by finding alternative sources of standard soya.

Monsanto and Ciba-Geigy have hit back by finding scientists prepared to say that there is "no scientific data" to indicate that DNA could jump from food to a microbe in an animal's gut. Fine — except that once they said the same about BSE.

The core of the problem is that the food industry has grown so big that it has lost sight of what it exists to do: provide products that we all need to survive. In fact, companies such as Monsanto and Ciba-Geigy have begun to act as though people are a peculiar irritant to their achievement of their aims of making money from selling biological products to farmers.

There's an significant distinction between a foodstuff bred to grow larger, or a different colour, and one that has been genetically engineered to do so by adding another species' gene. Gardeners and farmers have managed the former for centuries, without resorting to high-tech laboratories.

But the new debate goes beyond even that. Genetic technology offers our best hope for understanding so much about ourselves and the world we live in — and consume. But it has to learn to distinguish between a tomato that has had one of its normal genes switched off, and one that has had a foreign one added to make it — in one case a chicken gene was added to a tomato to enhance its growth properties. Such a thing is no longer a tomato; it's a chimera which might one day arise in nature. I'd like to know that before I bite into it.

Nothing in life is free

Taxation is a necessary evil — and voters know it, says Jonathon Porritt

John Gummer opened his speech to the recent Tory Party conference with these words: "This is a speech which will get no coverage in the press or television news."

He was right. Nor did Michael Meacher's. Nor did Matthew Taylor's. The media are entirely impartial in their indifference.

But at least the parties themselves did actually address the environment, even if it wasn't actually covered. Aid, international development and Third World debt were banished from the conference agendas all together. As the development agencies pointed out last week, on the UN's Anti-Poverty Day, political support for this agenda seems to have collapsed within the mainstream parties. And further deep cuts in our already shrunken aid budget (now down to 0.31 per cent of GNP) would seem to be on the cards.

For the 37 member organisations of Real World (with more than 3 million members between them) this is a familiar, but still depressing, picture. Real World was launched back in February specifically to bring together organisations campaigning on — environment, development, social justice and democratic reform — and to ensure that these issues are not consigned to oblivion at the next general election as has happened in previous elections.

The response from the parties has been interesting. All except the Conservatives broadly welcomed the initiative: the Tories turned up their noses, much as did Mrs Thatcher in the mid-Eighties



John Gummer: voice in the wilderness

when she denounced campaigning non-governmental organisations as part of "the enemy within".

True enough, it's not the easiest agenda for the modern Tory party to engage with. The very notion of social justice is taboo and poverty is still seen largely as the fault of the individual — or of corrupt, inefficient and over-regulated governments in the case of the Third World.

On constitutional and democratic reform, it's just "no, no, no" all the way down the line. Only on the environment have the Tories got a strong case to make — and John Gummer made it in characteristically robust style. But it wasn't only the media that didn't listen. Nor did his Cabinet colleagues, and John Major didn't even mention the environment.

But then nor did Tony Blair. While it's true that both Michael Meacher and Andrew Smith (Labour's new Shadow Transport Spokesman) acquitted themselves well at their conference (Friends of the

Labour? It is partly the totally different way in which they read the evidence about public opinion on these issues.

Labour's strategists keep coming back to the fact that more people clearly care more about unemployment, health, education and crime than they do about the environment, let alone the Third World. So they do, but as the Liberal Democrats have realised, that doesn't stop them caring about the environment at the same time, as is powerfully demonstrated by the millions of people who join or give money to campaigning organisations in these areas.

Both Labour's conservatism and the Conservatives' apparent hostility means that Real World will have its work cut out to make a big impact during the general election. On taxation, for instance, Real World is deeply concerned at the unifying spectacle of our two principal political parties competing to cut income tax to buy the votes of the British public, while every other issue is allowed to pale into political insignificance beside the tax gambit.

Part of Real World's broader task has to be to remind people that many of the public goods on which our lives depend (be they environmental, social or cultural) have to be paid for — through taxation — and to go on supposing that we can cut back and back on that social investment represents the politics of insanity. It's our bet that there's much broader support for this position than you would ever have guessed from the party conferences.

The writer is former director of Friends of the Earth.

Lost children of King Coal

Every community in the South Wales valleys has its own remembrance of King Coal. But in the beautiful roll-call of colliery disasters which chart the history of the last century one date — 21 October, 1966 — stands out as the starkest testimony to coal's capacity for cruelty.

At 9.15am, 30 years ago today, an 800ft-high tip of coal waste towering above Aberfan collapsed. Countless tons of rubble and slurry crashed down the mountainside burying Pantglas school and dozens of houses; 116 children and 28 adults perished.

In those days post-traumatic stress counselling was unknown and Aberfan relied on the old practices of mutual help and support to find a route back to the light. Three decades on, somehow — despite the loss of 400 wage packets when the local Merthyr Vale Colliery closed in 1990 and despite the low priority accorded by government to declining coal fields — Aberfan survives. But only just.

Much has changed since a grateful nation relied on coal and the men who mined it to keep the wheels of industry turning and the homefires burning. The cavernous work-meo's institutes are almost defunct. Extensive libraries which opened up a new world of economics and politics as well as fiction and poetry to eager readers have been broken up. The once omnipotent National Union of Minework-

ers is now a mere shadow. Chapel congregations dwindle as Methodism retreats in step with Marxism. Choirs age and the number of entries at the annual National Eisteddfod decline. Even rugby no longer commands the following it once enjoyed.

Today Aberfan is an area where one man in five is out of work. The 6,081 people signing on compete for the 404 vacancies advertised at Merthyr Tydfil job centre. What little is on offer is not particularly well paid.

Some jobs are available at factories built by the Welsh Development Agency, the quango charged with regenerating the Welsh economy along the M4 corridor 25 miles south of Aberfan. Pacific Rim entrepreneurs receive sizeable government assistance to set up in Wales. But communications are inadequate and car ownership not particularly widespread.

There will be some relief for the little town next year when Halla, a Korean firm, opens a factory a few miles away. Ironically, it will manufacture earth-moving equipment. A garden stands where 30 years ago a generation of children was decimated. The nearby community centre buzzes with life. Today, as every year for the past 30, hundreds will gather to lay wreaths at the graves of coal's innocent victims. Forgotten by the nation, they will stand and remember.

Tony Heath

THE DAY THE MUSIC DIED...



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Ismond Rosen

Despite the cruel advance of motor neurone disease, Ismond Rosen was this year able to complete the editing and see to press the 3rd edition of what has become a standard text: *Sexual Deviation* (Oxford University Press). He also lived long enough to know that on 20 November – the German Day of Repentance – his crowning achievement, the sculptural triptych *The Holocaust Chapel*, most recently exhibited in St Paul's Cathedral, will find a permanent home in Berlin, the city where the Holocaust was conceived. It is improbable that there is any other Fellow of the Royal College of Psychiatry who is also a distinguished Fellow of the Society of Portrait Sculptors.

Ismond Rosen was born in 1924 in Johannesburg to artistic Jewish parents who had emigrated to South Africa from Tsarist Russia. Family life was warm and supportive. He helped his parents run a hotel, and there learnt a basic tolerance towards every human condition. "I was expected to show a sense of responsibility and tact to the guests, who included artists and players from touring companies, and I was encouraged to be potentially violent. All very good practice for dealing later with difficult psychiatric patients."

He was only six when he began to copy Africans, making clay figures, and was encouraged at high school by the eminent South African artist Walter Bantjes. He was academically outstanding, and his parents insisted that Latin must come before art. At 17 he began training at Wits Medical School. Hard work was learnt early and never unlearned: "... cash up in the bar around midnight, write up the books, wake

at 4 o'clock and go to the fruit market, and still be on time at the medical school at 8 o'clock."

There was an early conflict between medicine and art, till Rosen realised the two were not in conflict at all. He had to do both. He did his house training in a poor district of Johannesburg at a Community Health Centre. Its director was Helen Joseph who was to become a legendary mother to the anti-apartheid struggle. As a junior registrar he lived in the grounds of the Weskoppies Hospital. "Black patients tended the garden, where they grew their own marjorana. One of the pleasures was to do a lot of sculpture portraits, both of the patients and staff."

In 1951, eager for wider experience, Ismond Rosen arrived in England and was promised a job at the Maudsley & Bethlem Hospital in six months time. So he set off for Paris, joined classes at the Académie Julien and did some stone carving at the Ecole des Beaux Arts, as well as life drawing. "... and then south, at the first post-war Mardi Gras in Nice – and right through Italy, reading Freud in Florence in the morning under the sun, and on to Rome. There I had a dream which seemed to resolve my conscience. It said quite clearly – 'choose medicine.'"

Six years at the Maudsley were followed by work at the Portman Clinic, specialising in problems of sexual deviation and delinquency. He paid great attention to the treatment of abused children – and their abusers. Committing himself during those years to a punishing schedule, Rosen trained, at the same time, in association with Anna Freud, as a psychoanalyst. Completing his psychiatry, he did psychoanalytic



Probably the only Fellow of both the Royal College of Psychiatry and the Society of Portrait Sculptors, Rosen with his sculpture *The Holocaust Chapel*.

research at the Hampstead Clinic and practised privately, almost to the end of his life.

The Seventies were a period of immense creativity. He was concurrently chairman of the Paddington Centre for Psychotherapy, running a busy private practice and speeding every spare moment preparing over 100 new works – stainless-steel sculptures, paintings, lithographs and etchings – for a major exhibition at the Camden Arts Centre. He even wrote papers for the Tate Gallery on the psychology of the painters Richard Dadd (who had been at Bethlem) and Otto Dix. "In the end I was exhausted, yet each activity refreshed me for the other." By now, he was also a devoted husband, and father to Hugh and Doraly – and even found time to make television programmes.

In 1975 one of the most per-

ceptive appreciations of Ismond Rosen's life and work appeared in *Stainless*, the journal of the British Steel Corporation. His sculpture *Civilisation* is in South Africa's National Botanical Gardens. Sculpted heads of eminent medical colleagues grace many a British hospital lobby.

A close friend has described Ismond Rosen as a rare "renaissance man". True as that is, it sounds too forbidding. I knew him, even in his final illness, to be warm, gentle and irresistibly charming. He made others feel important, because to him, they were. His eyes still sparkled, even when his whole body was paralysed.

A due to his self-deprecating wit is to be found in a self-published book of cartoons: *How to understand your therapist and other erotica* (1993). These, he writes, tongue in cheek,

would have been published in *Punch* and the *New Yorker*, had he overcome his inhibition to send them.

Ismond Rosen's soul finds ultimate expression in his Holocaust triptych (completed over the last decade). The bronze figures left his house for Berlin, provisionally, on the day his body was taken to its final resting place. His very last creative act, when only his left hand could still move, was to design, in steel and marble, the altar to stand near the triptych in the recently restored Kreuzkirche in the multi-ethnic suburb of Kreuzberg.

The three figures depict the experience of Christ in the Holocaust. Jesus, the Jew, would have died in the gas chambers. The first figure, *Revelation*, depicts Christ's insight into his true identity; the second, *Acrosity*, a neologism of cross

and atrocity, points to the debased values of the Nazi era; the third, *Echo the Survivor*, celebrates the qualities of survival and spiritual endurance both of Christ and of the Jewish people in the face of the most terrible cruelty and destructiveness. This vision of risen life, struggling to be free, takes Jewish-Christian dialogue far beyond itself, into the ultimate human mystery of hope against hope.

Paul Oestreicher

Ismond Rosen, psychiatrist, psychoanalyst and artist; born Johannesburg 2 August 1924; Senior Registrar, Maudsley Hospital 1952-58; Research Psychoanalyst, Hampstead Clinic 1967; Consultant Psychiatrist, Paddington Centre for Psychotherapy 1958-84; Chairman 1973-84; married 1963 Ruth Abramowitz (one son, one daughter); died London 16 October 1996.

Walter Kerr

Even Noel Coward, who by his own admission found dramatic criticism tedious on all occasions, conceded that Walter Kerr was its best American exponent. Not because he wrote favourably of Coward's works – Coward knew how to rise above such puerility – but because he wrote so well. And Kenneth Tynan said on the occasion of his republished notices (*Pieces at Eight*, 1958) that of the seven then accredited critics on Broadway in the 1950s: "Kerr was the cogent best." Why?

Well, to quote Tynan: "He combines a style that is vivid and popular (in the best sense of the word) with a background of scholarship that comes from having taught drama for many years at a university."

There was no one like him in London – though Kerr regularly visited the London theatre – because presumably the popular press would suppose such a writer to be over its readers' heads and the so-called quality press would never allow him room – or if it had the room would "sniff at the informal quality of his style."

It was a style which even got up Coward's nose when "after a tortuous sentence fairly shimmering with emotion he suddenly introduces a vulgarism, a slang phrase, to prove that in spite of his impressive learning he is in fact just a regular guy like you or me." It was a trick which Tynan summed up as "the apologetic smile of an Honest Joe anxiously disclaiming egotistical pretensions."

Kerr also sometimes dropped into the other trick of trying to reach down to his readers by beginning a review: "Although it may not seem very likely, I have been having a wonderful time with a book called *Sources of Theatrical History*." As if it were not just the sort of book a respectable critic ought to be enjoying, as Tynan reminded him.

Nevertheless in the days when the *New York Times* had Brooks Atkinson as its critic and the *New York Herald Tribune* had Walter Kerr, it was to Kerr you first turned because of his clarity, liveliness, force, personality and sense of fun. He could rival Tynan any day in his witty assessments.

Take him on Orson Welles: "As an emotional actor Welles is without insight, accuracy, power or grace. In short, without talent. The only parts he could ever play were parts that were cold, intellectual, emotionally dead."

Or on Nicol Williamson, whom Kerr had seen in Osborne's *Inadmissible Evidence* and as Hamlet and had thought intelligent but guilty of playing both parts the same way. Kerr missed physical tension:

Mr Williamson's arms hang idly from shoulders already idle. His is a pale, flattened face with kindly uncut hair blowing out so far behind him that it becomes his head, robbing his features of dimension. It is also a face that seems to have severed association with the listless members that might have been expected to carry it anywhere... his coming or going makes no emotional difference.

Of Williamson's "particular ooze", Kerr continued: "The voice is a quick twang, the sort of sound a man might make if he spoke rapidly while carefully pinching the bridge of his nose... The performance as a whole seems one given by a museum guide who obviously knows what he is talking about but is severely crippled by a blocked sinus."

After this, Williamson threatened to cancel his one-man command performance in Washington before President Nixon if Kerr was to be at it. Luckily (for Williamson) he could not make it.

Certain critics interfere with the confidence of actors who read them (and wish of them does not?), as did our own Harold Hobson, but their influence on Broadway seems more apt to haunt them, especially if they have been suspected by such a reviewer as Walter Kerr of suffering

from "delusions of adequacy". Christopher Reeve has recorded his inhibitions which were provoked by Kerr's way of picking on a single moment in a play and making so much of it in his notice that the actor dare not perform the same movement again.

Kerr made less than others of Tom Stoppard's talent after *Dynasty* had reached Broadway in 1977:

Intellectually restless as a hummingbird, and just as incapable of alighting anywhere, the playwright has a gift for making the rank-and-file of his flights funny... Busy as Mr Stoppard's mind is, it is also busy for itself for the first thing that pops into his head... Wide-ranging as his intellectual interests are, delightful as his impenetrable misanthropy can be, his management of them is essentially slovenly.

Like all critics Kerr had his blind spots. He was troubled by the lack of physical action in Chekhov ("nothing happens"). He could never feel fond of Samuel Beckett's or Harold Pinter's plays; and he had little faith in drama which attempted to teach us anything – Brecht or Arthur Miller for example – though he himself taught speech and drama at Washington's Catholic university for seven years.

What added unquestionably to his gifts as a critic was not only that teaching experience but his work as a director and playwright, often collaborating



Kerr: clarity, force and sense of fun

with his wife Jean, well remembered here for her play *Mary, Mary* (1962). They first worked together on the revue *Touch and Go* which I recall with great pleasure at the Prince of Wales in 1950 as a sophisticated lark with the comedian Desmond Walter Ellis; though by then Kerr had also collaborated on a university revue which moved to Broadway, and he co-authored other plays, among them *King of Hearts* (1954) and a costly musical failure, *Goldilocks* (1958), a vehicle for Elaine Stritch as a star who turns her back on Broadway for the sake of her marriage – which was hard to imagine Miss Stritch ever doing.

So Kerr, who moved to the *New York Times* as its Sunday critic when the *Herald Tribune* folded in 1966, knew about life on both sides of the curtain. He wrote 10 books. Among their titles were: *How Not to Write a Play* (1955), *Criticism and Censorship* (1957), *The Decline of Pleasure* (1962) and *The Theatre in Spite of Itself* (1963), which sounds like the cumulative disillusion of a critic facing the change in post-war drama and tastes.

Walter Kerr was one of the few of his calling to win a Pulitzer Prize (1978) for his writings on the theatre, but then dramatic criticism is, I suspect, still a craft more honoured by its editors in New York than by their London counterparts.

New York even named a theatre after him in 1990 on West 48th Street and where he died. Broadway dimmed its lights.

Adam Benedict

Walter Francis Kerr, theatre critic and playwright; born Evanston, Illinois 3 July 1913; married 1943 Jean Collins (five sons, one daughter); died 9 October 1996.

Chris Acland

In the late 1980s, before grunge and Britpop, shoe-gazing (so called because performers were doing literally that, staring at their feet while playing) was the buzz word on the UK indie scene and Lush, whose drummer Chris Acland committed suicide on 17 October, were prime exponents of that much misunderstood musical genre, along with Ride, Slowdive and My Bloody Valentine. After the early success of the *Spooky* album (a top ten entry in 1992), Lush floundered somewhat, but came back with a vengeance and three hit singles earlier this year.

The band was formed in 1988 by Miki Berenyi (vocals/guitar) and Emma Anderson (guitar/vocals), two disaffected students who'd met at Queen's College (a girls school) in London and edited the Alphabet Soup fanzine. At the beginning, the group also comprised drummer Chris Acland (who was at the time Berenyi's boyfriend), bassist Steve Rippon and vocalist Meriel Barham who soon departed to form the Pale Saints.

Despite early shambolic live performances at the Falcon in Camden, Lush's early ethereal sound brought them to the attention of 4AD supreme two Watts-Russell. The alternative label of Beggars Banquet, 4AD had already achieved a modicum of success with the Coteau Twins and This Mortal Coil and Lush seemed to fit the mysterious style, distant image and art-house sound of the imprint.

In October 1989, their first release, a mini-album entitled *Seas*, appeared, and the incess-

ant British music press went into overdrive and praised it to the heavens.

However, in a rather perverse move, the four-piece decided to follow it with a series of EPs (the "Mad Love" and "Black Spring" four-trackers) and singles ("Sweetness And Light" and "For Love") and, even though these were gathered on the *Gala* compilation, *Spooky*, its debut album proper, didn't appear until January 1992. Produced by Cocteau Twin Robin Guthrie, the album found its niche among the student counterculture and reached number seven on the listings.

By then, Phil King, a former *New Musical Express* journalist, had replaced Steve Rippon on bass. With this injection of new blood, Lush toured the world and found themselves on the Lollapalooza tour, along with Pearl Jam, Ministry, the Red Hot Chili Peppers, Ice Cube and Soundgarden. However, while the American acts all clicked on their homeground, the British band – the opening act – struggled and were early casualties of an increasingly insular fanbase. Following appearances in Japan and Australia, Lush started work on their next record.

But the four-piece lost momentum once more and didn't release their second album, *Split*, till June 1994. They tried to make up for the delay by putting out two singles ("Hypercritic" and "Desire Lines") on the same day and painted a London cash with a variation on the sleeve of *Split* but in no avail. In the music press, the knives were out.

Lush had started to live up to their name too much and became the rockbiz number one party people around London. Miki Berenyi claimed that that reputation grew because journalists always noticed her distinctive red hair in a crowd, but the excuse rang hollow. Hacks were willing them on to do the decent thing and break up. Howard Gough, their early manager, lost faith and was replaced by Peter Felstead (who also looks after the Boo Radleys).

Looking back on that difficult period in a *Select* magazine interview which appeared six months ago, Chris Acland admitted he "went through a phase of feeling a bit useless. I wasn't really doing anything with my life, I was waiting for someone else to do it for me, because me and Phil didn't write the songs. And I didn't want to carry on living like a student. When you start heading towards 30, you want to get out of that, because it's so easy to drift. It's quite an undignified existence, being in a band. After a while, you begin to feel a bit of a fake. And it ties you to London. Really I'd like to make loads of cash and buy a country house."

Things didn't look good for the band. Sleeper, Echobelly, Elastica and Skunk Anansia were the boy/girl acts in the oozes and on the charts but in a fit of pique, Lush soon rejoined them and proved how influential they'd been.

Earlier this year, the band came back stronger than ever with three hit singles ("Single Girl", "Ladykillers" and "500")

and a bouncier, crispier sound on the *Lovelife* album which documented some of Emma Anderson and Miki Berenyi's relationships. The four-piece appeared on *Top of the Pops*, *The Big Breakfast*, *Alive and Kicking* and toured consistently.

Acland had started to write material for the band ("Sweetie", the B-side of "Single Girl") and "Piledriver", a track included on "500" and was the inspiration behind a track called "Ciao", originally penned by Miki Berenyi because the drummer wanted to sing. But Acland was joking and Lush recorded the song with Jarvis Cocker from Pulp, a band of fellow indie strugglers who'd finally hit the big time. Radio stations got a promo version of the track but, wary of bandwagon-jumping accusations, Lush opted for "500" as a single instead and *Lovelife* disappeared from the listings.

Although originally from the Lake District, Acland was a keen Tottenham Hotspurs fan and, along with members of Moose and the Coteau Twins, became the Lilies, to record a humorous flexi-disc entitled "And David Seaman Will Be Very Disappointed About That" which was stuck on the front of *The Spur* (a football fanzine) following the team's victory over North London rivals Arsenal in the 1991 FA Cup semi-finals.

But under the joking exterior, darker forces were at work. Following a tiring American tour, Acland fell once more into depression and was considering quitting the band. He went to visit his parents in Cumbria and



Acland: art-house sound

Photograph: Kevin Cummins / Retna

took his own life on Thursday.

People will read some significance into the fact that Acland hung himself like Joy Division singer Ian Curtis who committed suicide in 1980 on the eve of an American tour. Lush, their record company and their management are said to be devastated at the news: they have cancelled their forthcoming European tour and are considering their future.

The track "When I Die", written by Emma Anderson about the death of her overbearing father forms a sad epitaph to Chris Acland's career which had seen many ups and downs but seemed to be heading towards new horizons.

If you walked in now, I wouldn't start, I wouldn't frown And if you just appeared I wouldn't cry

Or think it weird 'Cause you are still around You're in the air, you're in the ground

And you can't go away I'm afraid you're here to stay Curse the English day for what it forces us to say

Banish all the pain, 'Cause when I die, I'll see you again.

Pierre Perrone

Christopher John Dyke Acland, drummer and songwriter; born Kendal 6 September 1966; died Kendal 17 October 1996.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephone 0171-293 2011, 124-hour answering machine 0171-293 2012, or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazette announcements (funerals, obituaries, Birthdays, Marriages, Deaths) must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra.

Wills
Miss Pamela Lyndon Travers, of London SW3, the author of P. L. Travers, who wrote *Mary Poppins*, left estate valued at £2,044,076 net.
Sir Eric Alexander Franklin, of Cambridge, civil servant, left estate valued at £17,145 net.

ROYAL ENGAGEMENTS
The Prince of Wales attends the Keepers of the Quich Banquet at Blair Castle, Blair Atholl, Perthshire, The Duchess of Gloucester, Patron, National Missing Persons Helpline, attends a reception at the High Commission for the Republic of South Africa, Trafalgar Square, London WC2.

Changing of the Guard
The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 1, 1st Battalion Welsh Guards mounts the Queen's Guard at Buckingham Palace, 11.30am, band provided by the Irish Guards.

Marriages

Mr J. D. Ferguson and Miss M. M. C. Parham
The marriage took place on Saturday 19 October at the Church of St Francis of Assisi, South Ascot, between Mr James Ferguson, son of Dr Patrick Ferguson, of London, and the late Mrs Ferguson, and Margaret, daughter of Mr and Mrs John Parham, of South Ascot. The Rev Jock Dalrymple officiated.

The bride, who was given in marriage by her father, was attended by Nella Beeson, Jessica Freeman-Anstow, Cosmo Grant, Florence Grossman and Felix Russell. Mr Lloyd Grossman was best man.

Birthdays

Sir Malcolm Arnold, composer, 75; Mr Geoffrey Boycott, cricketer, 56; Mr David Camm, rugby player, 34; Norman Clarke, Executive Secretary and Registrar, Institute of Mathematics, 80; Miss Mervyn Duffy, novelist, 63; Miss Cezzie Fisher, actress, 40; Mr Simon Gray, playwright, 60; Lord Grievie, a former Senator of the College of Justice in Scotland, 79; The Rev Peter Hackett, SI, former Master, Campion Hall, Oxford, 72; Sir Maurice Hodgson, former chairman of ICI, 77; Mr John Hull, merchant banker, 71; Miss Nadine Makarova, ballerina, 56; Mr Peter Mandelson MP, 43; Mr Manfred Mann, rock bandleader, 56; Professor Sir Roy Marshall, former

High Commissioner for Barbados, 76; Miss Nadia Nerina, Russian prima ballerina, 69; Sir George Solti, conductor, 84; Mr John Stevens, chief constable, Northumbria, 54; Lord Thomas of Swynemorton, historian, 65; Mr Patrick Thompson MP, 6; Mr Paul Tusch, former chairman and managing director, Vauxhall Motors, 55; Mr Francis Warner, poet and playwright, 58; Dr Elsie Widdowsdon CBE, nutritionist, 89.

Anniversaries

Birth: Domenichino, or Domenico Zampieri, painter, 1581; Georg Ernst Stahl, chemist, 1660; Katsushika Hokusai, painter, wood-engraver and printmaker, 1760; Samuel Taylor Coleridge, poet and author, 1772; Alphonse Marie Louis de Prat de Lamartine, poet and statesman, 1790; Alfred Bernhard Nobel, industrialist and founder of the Prizes, 1833; Sir Ernest Damply Swinton, an inventor of the military armoured vehicle, the tank, 1863; Franklin Thomas Grant Richards, publisher and author, 1872; Leonard Rossiter, actor, 1926; Deaths: Pietro Aresina, sailor, 1556; Edmund Waller, poet, 1687; Samuel Foote, actor and playwright, 1777; Horatio, first Viscount Nelson, killed at Trafalgar, 1805; George Frederick Bodley, architect, 1907; Arthur Schnitzler, playwright and novelist, 1931; Jack (Jean-Louis Lezard) Kerouac, poet and novelist, 1969; Burt Lancaster (Burton Stephen Lancaster), actor, 1994. On this day: the Franco-Spanish fleet was

defeated at the Battle of Trafalgar, 1805; Offenbach's operetta *Oryphee in the Underworld* was first produced, Paris, 1855; a severe earthquake was experienced in San Francisco, 1868; Alberto Santos Dumont flew an airship around the Eiffel Tower, Paris, 1901; the present building of the Savoy Theatre, London, was opened, 1929; Purchase Tax was introduced in Britain, 1940; Chinese forces occupied Tibet, 1950; the first British nuclear submarine, HMS *Dreadnought*, was launched, 1960; the disaster at Aberystwyth, South Wales, occurred, when 140 lives were lost, 1966; Willy Brandt was elected as Chancellor of West Germany, 1969. Today is the Feast Day of St Condegond, St Fintan or Mumm of Tighemon, St Hilariion, St John of Bridlington, St Malchus and St Tudis.

Lectures

Victoria and Albert Museum: Julia Bigham, "Study session: the 1980s – prints, graphics and designs", 2.30pm.
Gresham College (Bernard's Inn Hall): Dr Andreas Prindl, "City Institutions: London, a laboratory for foreign banks", 1pm.

The Rev Dr Eric Heaton

A memorial service for the Rev Dr Eric Heaton, Dean of Christ Church, 1979-91, Honorary Student 1991-96, will be held in Christ Church Cathedral, Oxford, on Saturday 9 November 1996 at 3pm.

The following notes of judgments were prepared by the reporters of the *All England Law Reports*.

Betting

Customs and Excise Comrs v News International Newspapers Ltd, QBD (Key J) 1 Oct 1996.
Fantasy Football competitions, where participants phoned in their entries using BT premium phone lines, did not attract pool betting duty under the Betting and Gaming Duties Act 1981. However, the Fantasy Fund competition which required participants to pay a £5 registration fee did attract duty, since the entry fee paid by the participant was either a stake or, if not, was to be treated as a stake under 7(3) of the Act, and was therefore a bet for the purposes of pool betting duty. Stephen Richards (D J Nissen, Customs & Excise) for the appellants; Andrew Thornhill QC, Andrew Hitchmough (Barrett & Co) for the respondents.

Expert evidence

Owners of M/V Antares II v Owners of M/V Victory, QBD (Adm Div) (G Brie QC) 2 July 1996.
The parties to the action,

CASE SUMMARIES

21 October 1996

whose vessels had collided, were entitled to adduce evidence on the reconstruction of the collision. Although it was established practice that expert evidence on matters of navigation and seamanship could not be adduced before a court which was assisted by nautical assessors, the parties had prepared their respective cases on the basis of an exchange of experts' reports containing or commenting on reconstructions and therefore expert evidence on the reconstruction of the collision was admissible. Vassil Savararum (Thomas Cooper & Sibberd) for the plaintiffs; Timothy Hill (Jackson Parton) for the defendants.

Legal aid
R v Legal Aid Board, ex p Dobson, QBD (Key J) 1 Oct 1996.
On a proper construction of para 2(2) of Part III of Sch 1 to the Legal Aid & Criminal Care Proceedings (Costs) Regulations 1989, a "Newton" hearing should be treated as a

guilty plea within category 1.1 and not a contested hearing within category 2.1, since although Newton hearings were contested matters which involved a factual issue they could readily be regarded as proceedings preliminary or incidental to a plea of guilty. Graham Cooke (Graham Cooke & Co, Ovington) for the applicants; Beverly Lang (Legal Aid Board) for the respondents.

Liquidator

Metalloy Supplies Ltd (In Liquidation) v MA (UK) Ltd, CA (Butler-Stones, Millett, Waller LJ) 7 Oct 1996.
The courts had jurisdiction to order a liquidator as a non-party personally to pay the costs of litigation initiated by him on behalf of the company, but given the public interest in liquidators being able to act for companies without being exposed to personal liability for costs, it would only be in exceptional cases that the jurisdiction would be exercised, and inappropriately would be a necessary ingredient. The primary

remedy of a defecant facing a company in liquidation was to ask for security for costs.

Terence Mowchenson, Michael Rolison (Hartley Linford & Whitlam, Richmond) for the plaintiffs; Peter Irvin (Richmonds, Doncaster) for the defendants.

Tax

Inland Revenue Comrs v Oldham Training & Enterprise Council, CAd (Lightman J) 12 Sept 1996.
The council was not established for charitable purposes only within the meaning of s 506(1) of the Income & Corporation Taxes Act 1988 and accordingly was not exempt from corporation tax on its income. The objects clauses of the council, to promote the interests of individuals engaged in trade, commerce and enterprise and to provide benefits and services to them, enabled the council to provide private benefits. Since the benefits conferred on the community by such activities were too remote, the council was disqualified from having charitable status.

Michael Furness (Inland Revenue Solicitor) for the Crown; Timothy Lloyd QC (Whigley Claydon, Oldham) for the council.

مكتبة من الأصيل

OFT to call for referral of Bass bid for Tetley

John Shepherd
Business News Editor

The Office of Fair Trading is to recommend that the Government refers the proposed takeover of Carlsberg-Tetley by Bass to the Monopolies and Mergers Commission.

Senior officials at the OFT are applying the finishing touches to a report that will call for a full MMC investigation, and will probably pass their recommendation to the Department of Trade and Industry of its views in the next fortnight.

The £200m merger would create a business with 38 per cent of the beer market and more than 4,000 pubs, making it by far the country's biggest brewer ahead of Scottish & Newcastle.

Representatives from Allied Domecq, half owner of Carlsberg-Tetley, are understood to have been called to a meeting with officials at the OFT in the last week, at which they were told privately that the bid should be referred. A similar meeting to the same effect has apparently been held with Bass representatives.

Moreover, a source said yesterday that the OFT might even bring forward the meeting of the Mergers Panel - which comprises other Whitehall departments - at which John Bridgeman, Director of Fair Trading, will finally make up his mind and subsequently inform the DTI about the OFT's views.

The OFT's insistence on the deal being referred will surprise City analysts, many of whom firmly believe that the takeover will be nodded through with a few minor undertakings - such as the sale of some pubs or the putting out to tender of some beer supply contracts.

Shares in Bass have recovered strongly over the last few weeks following the inevitable fallout that occurred when the bid was announced.

Some observers believe that the OFT is still smarting from the DTI's clearance of last year's takeover of Courage that propelled Scottish & Newcastle Breweries into pole position in UK brewing with a 30 per cent-plus share of the market. Additionally, the OFT is

understood to be keen to take stock of events in the industry since the implementation of the Beer Orders in 1992 and particularly the potential consequences of Bass's dominant market share were it allowed to buy Carlsberg-Tetley.

One leading analyst said yesterday: "Consolidation was the logical conclusion of the Beer Orders, and it makes significant sense for the OFT to refer the biggest deal that there will be."

Not only is the OFT concerned about the competitive issues but it is, unusually, questioning the commercial logic of the Bass deal to buy Carlsberg-Tetley. This marks a radical change by the OFT in reviewing mergers. Told about this shift, one industry observer said yesterday: "From now on we will never know where we are with the competition authorities."

The OFT's investigation since the bid was formally announced in August has been unusually widespread - canvassing the views of every party from the big brewers to small beer clubs in towns. "Everyone that is conceivably involved in the industry has been consulted. If the OFT thinks that a deal is OK, then there will be minimal consultation," a source said.

While Mr Bridgeman has, according to sources, yet to see the full report, from senior OFT officials about the Bass deal, he is more than aware that the DTI, both under the successive control of Michael Heseltine and Ian Lang, has ridden roughshod over the competition authority's recommendations on numerous occasions in recent years.

Even if the DTI does not refer the bid, then the OFT can still push its case by calling for an investigation into the whole brewing and pubs industry.

This has happened with the travel industry twice since the OFT pitched for, but was denied an investigation into the planned takeover by Airtrons for Owners Abroad a couple of years ago. Recent reports suggest that the OFT has secured agreement from tour operators - mainly over the way they operate their travel agencies - that will allow them to escape an MMC reference.

Docklands firms see light at the end of the tunnel as £2.5bn Jubilee Line extension takes shape



City bankers and businessmen got a taste yesterday of what the journey to work will be like once the £2.5bn extension of the Jubilee Line to Canary Wharf in London's Docklands is completed in 1998. To mark the construction of the tunnels that will link docklands to the City, the heads of six companies based at Canary Wharf were invited on a 21km walk under the Thames. Among those making the trip on foot were Sir David Walker, chairman of Morgan Stanley, Sir Peter Middleton chairman of BZW which moves in next year, David Vaughan, vice-president of Credit Suisse First Boston, David Alexander, legal director of Toraco and Collette Bown, chief executive of the Personal Investment Authority. Also in attendance were Hugh Doherty, London Underground's project director, and Michael Pheasant, chairman of the London Docklands Development Corporation. The Jubilee Line extension will run from Green Park to Canary Wharf and will carry an estimated 80 million passengers a year - by train, not on foot.

Photo: Philip Meach

Pearson soars on bid rumours

Matthew Horsman
Media Editor

Shares in Pearson, the media conglomerate, soared yesterday on speculation that it had once again become a takeover target and that it was contemplating breaking itself up to see off potential predators.

Reports that BSkyB, the satellite broadcaster owned 40 per cent by Rupert Murdoch, was considering a bid helped push the shares sharply higher in morning trading, hitting 745p at one point, a new high. By the end of the day, the price had moderated to 730p, still 33.5 ahead, as the market interpreted comments made by Sam Chisholm, chief executive, as indicating a bid was not imminent.

Pearson itself discounted the likelihood of a hostile approach, but analysts said BSkyB could easily afford Pearson, which might cost between £5bn and

£6bn to win. The prime target of BSkyB's affections was believed to be the television subsidiary, run by Greg Dyke, which takes in Thames Television, Grundy Worldwide and SelectTV, the makers of *Birds of a Feather*. The rest of Pearson's sprawling holdings would be sold off.

"BSkyB has the distribution, but needs more original programming," Anthony de Larrinaga, analyst at Paragore Gordon, said. "Pearson Television has no real distribution."

Pearson has a 24 per cent stake in Channel 5, the planned fifth terrestrial channel. But the programming budget of just £110m a year is unlikely to give the company much of a market for its programmes.

Several analysts suggested yesterday that BSkyB might just be "shaking the cage", to see if a new management team at Pearson might be persuaded to sell the television subsidiary.

Last week, Pearson announced the appointment of Marjorie Scardino, chief executive of the Economist Group, as its new group chief executive, replacing Frank Barlow, who is retiring.

Ms Scardino has said she has "no strategic prejudices", and that there would be no sacred cows. Some observers have already reached the conclusion that she could be willing to sacrifice the sale of the television business and Madam Tussauds, the attractions and theme park subsidiary, to concentrate on the publishing and electronic media assets, including Penguin, the Financial Times, Addison-Wesley-Longman, the educational publishing imprints and Mindscape, the company's CD-ROM and game cartridge manufacturer.

It is understood that several options for the company had already been considered by consultants and advisers prior to last week's announcement of Pearson's management succession.

Analysts said yesterday it was inevitable Pearson would move to restructure its businesses, whether or not a takeover bid materialised. They suggested Pearson had still not streamlined its management structure and its array of assets, despite a radical overhaul of managerial responsibilities earlier this year.

Meanwhile, it emerged last night that Dennis Stevenson, the newly appointed deputy chairman of Pearson, had been the choice of at least three executive directors for the position of chairman, a role he assumes in April. His supporters were David Bell, John Mackinson, finance director, and Greg Dyke. It is also understood that the original shortlist for chief executive included Mr Mackinson and at least two outsiders - Bob Phillips, the deputy director-general of the BBC and Archie Norman, chairman of Asda.

Homes for sale at eight-year low as owners wait

Nic Cicuttini
and Diana Coyle

The number of homes for sale in England and Wales has fallen to an eight-year low, prompting fears of a property famine as sellers wait for further price increases before placing their houses on the market.

The Royal Institute of Chartered Surveyors said the refusal of homeowners to put properties up for sale created a vicious circle because it meant they in turn could not find something suitable to buy.

The RICS report yesterday came as a separate survey said consumer confidence remained close to its highest level since 1988, due to optimism about general economic prospects. This news was taken well in the City, and the FTSE 100 share index reached a fresh record, closing 20 points up at 4,073.

Although the level of confidence has not changed during the month following a big jump in September, it remains high by past standards, according to the regular poll carried out for the European Commission by researchers CMC.

There was also an increase in the proportion saying they plan to buy a house or spend more on home improvements during the next 12 months.

The RICS survey said the number of properties for sale across the country was one-third lower during the period compared with the previous three months.

Among the reasons given for waiting before putting a property up for sale is the continuing negative and insufficient equity in vendors' homes, making it hard for them to sell. Also, some owners are unwilling to sell because they are waiting for free shares from building societies' demutualisation plans.

A RICS spokesman said: "The scarcity is forcing up prices but it also means reasonably priced, desirable properties are being sold extremely quickly, giving the false impression that a 'boom' is imminent. One of the main reasons for homeowners' reluctance to put their properties on the market is their sometimes over-optimistic expectation of further price rises."

Consumers questioned for the EC poll this month were glum about prospects for their own personal finances but more optimistic about the economy in general. Respondents expect unemployment to fall further.

Figures due out tomorrow and Friday will be scrutinised for signs that the improving "feel-good" factor is being reflected in official economic statistics. While City analysts expect tomorrow's retail sales figures to show a drop during September following a bumper August, they expect them to show continuing strong year-on-year growth.

The estimate of third-quarter GDP due on Friday could turn out to be important for next week's monetary meeting between Kenneth Clarke, Chancellor of the Exchequer, and Eddie George, Governor of the Bank of England.

The Governor has made it clear he thinks the economy's strong growth means there is a significant risk of missing the inflation target.

Labour pledge to monitor costs of PFI

Michael Harrison

A Labour government would introduce new controls to ensure that the Private Finance Initiative does not create huge spending commitments in future years that cannot be met.

Alistair Darling, shadow chief secretary to the Treasury, also pledged that Labour would make sure that the private sector was paid only for risk that was genuinely transferred out of the public sector when awarding projects.

Speaking yesterday at the annual conference of the Private Finance Panel, Mr Darling warned that the public would lose faith in the PFI if it came to be seen as an ingenious way of circumventing spending con-

trols at the taxpayers' expense. By getting the private sector to put up capital expenditure for road, rail and health projects and then paying it back through a stream of revenue payments in future years, the Government was creating formidable commitments for future generations which it was failing to monitor in a systematic way.

"The Government must put in place such controls immediately. If they don't we will," he said. "We cannot allow this country to sign up for commitments that it cannot reasonably afford. There have to be proper controls in place."

Mr Darling also said that while Labour strongly supported the PFI, there would be much greater emphasis on mak-



Revolutionary: Kenneth Clarke defended the PFI

ing a genuine partnership between the public and private sector. "It is not just about commissioning investment projects; it is about procuring services."

Earlier, the Chancellor, Kenneth Clarke, rejected Labour's criticisms of the initiative saying it was leading to a "revolution in the provision of public services" with £7bn of deals so far done. He dismissed suggestions that the PFI amounted to a "buy now, pay later" mechanism for funding public projects and defended the Government's target of signing £1.3bn worth of PFI projects by the end of 1998-99.

He also unveiled new guidelines on how investors could trade stakes in PFI projects. Comment, page 19

UK set for £700m Telekom bonanza

Chris Godsmark
Business Correspondent

British investors could be allocated more than £700m worth of shares in Europe's largest privatisation, the sell-off of Germany's state telephone company, Deutsche Telekom.

Details of the offer, disclosed yesterday, show UK investors will be awarded 8-12 per cent of the 500 million shares available. The British allocation is likely to be second only in scale to that of the USA and Canada combined.

The vast majority of the shares destined for UK investors will go to institutions. Sources suggested the interest by retail investors in Britain, or "Sids", would probably be limited. The final allocation depends on the size of bids received during the institutional bookbuilding process which begins today.

However, in Germany the privatisation has attracted huge interest of the kind seen during the first British privatisations in the mid-Eighties and looks set to be heavily oversubscribed. When the deadline for applications received they discovered that 500,000 had been made twice. UK accountants Price Waterhouse have been engaged to check that no small investors have profited more than once. Individuals in Germany will get a small discount of DM0.5 (20p) a share up to a maximum of 300 shares.

Deutsche said the indicative price range for the shares was DM25-DM 30 a share, valuing the 20 per cent of the company being sold in the first phase at more than DM12.5bn.

STOCK MARKETS					
Index	Size	Day's change	Change (%)	1996 High	1996 Low
FTSE 100	4073.10	+20.00	+0.5	4073.10	3832.30
FTSE 250	4449.40	-0.70	-0.0	4569.60	4015.30
FTSE 350	2022.10	+7.80	+0.4	2022.10	1816.60
FTSE SmallCap	2193.32	-0.38	-0.0	2244.36	1954.08
FTSE All-Share	1894.54	+7.09	+0.4	1994.34	1791.95
New York	6109.51	+15.28	+0.3	6094.23	5032.94
Tokyo	21302.95	-309.35	-1.4	22665.80	19734.70
Hong Kong	closed			12510.05	10204.87
Frankfurt	2729.03	-5.79	-0.2	2734.82	2253.36

INTEREST RATES					
Index	1 Month	3 Month	6 Month	1 Year	Long Bond
UK	5.88	6.43	7.60	8.21	7.71
US	5.25	5.69	6.49	6.08	6.78
Japan	0.41	0.53	2.75	2.81	2.81
Germany	3.06	3.09	5.99	6.55	6.62

CURRENCIES					
Index	1 Month	3 Month	6 Month	1 Year	Long Bond
UK	5.88	6.43	7.60	8.21	7.71
US	5.25	5.69	6.49	6.08	6.78
Japan	0.41	0.53	2.75	2.81	2.81
Germany	3.06	3.09	5.99	6.55	6.62

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John's 10.10.96



DAVID MILES

Sleaze damages the economy as well as politics

'Poorer countries with lots of labour should - if they just differ in the relative amounts of people to machines - have much higher capital productivities than richer countries; but they do not'

Most people who have read Joseph Heller's novel *Catch 22* remember the catch: if you are mad, then that is grounds for being declared unfit for flying dangerous bombing raids; but claiming insanity to avoid flying is the act of a sane man.

But there is a short scene in the novel which seems to me to contain an idea which is of far greater importance than the eponymous "catch". A central character has been discovered committing a selfish act which could endanger others. He is confronted with this and asked the question much loved by headmasters when faced with naughty schoolboys: "What if everyone did that?" After some thought the answer comes: "Then I'd be a fool not to."

Economists will instantly recognise a Nash equilibrium here (after the mathematical economist John Nash) - a situation where, given everyone else's behaviour, each person is acting in a way which is individually rational. What the *Catch 22* example suggests is that such equilibria may not be very pleasant places to get trapped.

Nasty equilibria are often ones where cheating or breaking conventions or stepping outside the law becomes individually advantageous, though collectively very costly. Laws and social conventions can be crucial in preventing societies being trapped in nasty equilibria where standards of living can be low. It is useful that there is a convention, increasingly backed up by sanctions from stewards, that people do not stand on their seats at football matches to get a better view. Although doing so would certainly be rational if other people around you did, it is collectively self-defeating.

The football example is a bit trivial, but there are good reasons to believe that the strength of social institutions (laws, conventions, the ways in which rules are enforced and changed) in preventing inefficient equilibria may be a crucial factor in explaining the massive differences in wealth and income across countries.

Consider two hypotheses to explain income differences across countries. First, there is the common sense idea that differences in resources (land, raw materials) and in accumulated investment (capital and facilities for training) account for most of the differences in wealth across countries. The second hypothesis is that in fact resource differences account for a relatively small part of the inequality in income across countries and that it is a failure of social institutions, including the institutions of state, to prevent economically harmful, though individually rational, activity that explains much of the most dire poverty in the world.

In a fascinating recent article, *Mancur Olson*, a deep thinker about the structure of economies whose work is unseasonal and profound, tries to discriminate between these two theories. In his rich analysis he makes some telling points against the theory that differences in resources can explain why the group of poorest countries have income levels less than one-twentieth of those in the industrialised countries. Availability of land certainly does not account for differences: there is actually a negative correlation between real per capita income across countries and the amount of space per person. (The table gives a good idea why this is so.) And in a world where technological know-

edge has many of the characteristics of a public good - available fairly widely with a short lag - the idea that lack of access to productive know-how has large sustained effects is not very plausible.

Of course, there are large differences in the level of capital available to workers in rich and poor countries. But this is not an exogenous factor - it reflects sources of economic success rather than being an underlying cause. But anyway, the differences in output per worker and in the productivity of capital across countries cannot be convincingly explained in terms of differences in capital. As Nobel prizewinner Robert Lucas has pointed out, countries with lots of labour relative to capital (the poorer countries) should - if they just differ in the relative amounts of people to machines - have much higher capital productivities than richer countries; but they do not.

Professor Olson also provides some in-

teresting evidence on the wages of immigrants to developed countries. According to US data, the earnings of immigrants to the US from Haiti (one of the poorest countries in the world) were between a half and two-thirds as high as earnings of immigrants from West Germany. But domestic Haitians earn a very much smaller fraction of domestic West German average earnings. It seems that being in the US dramatically increases the relative productivity of Haitians; this is somewhat hard to square with the idea that it is lack of skills that accounts for Haiti's poverty. But it is consistent with the idea that some other features of Haitian society explain its low incomes.

A final, rather compelling fact, which is consistent with the importance of legal, political and social institutions in accounting for wealth and poverty, is that national borders often sharply divide areas of very different per capita income.

None of the observations above constitutes a knock-down argument that institutions - widely defined - are crucial for prosperity. But the idea that social and legal institutions are of prime importance is persuasive even in the absence of macroeconomic evidence. A society in which fraud and corruption is widespread and adherence for laws (either out of respect or fear) is minimal is one where many types of economic contract cannot be sustained. If cheating in examinations is widespread why study when there are quicker routes to getting technical qualifications? Why try hard at your job if promotion depends on who you bribe rather than on performance? Why compete for a contract in terms of the quality of the product and its price when contracts will be decided on other grounds?

If everyone else breaks the rules it may be rational to do so oneself - as Mr Heller's hero saw all too clearly. Uncoordinated market forces do not prevent inefficient equilibria precisely because it may be in no one's interest to stop "cheating"; nor is it easy to see how institutions which prevent inefficient Nash equilibria can emerge from the actions of individuals.

One implication of all this is that it may be hard for countries to emerge from low level equilibria - an idea that is consistent with persistence in income inequality across countries. But it may also be possible for countries where laws and conventions prevent collectively harmful behaviour to slip into less efficient equilibria; good social institutions are hugely valuable but may be fragile.

A belief that "everyone is at it", that politicians are routinely taking brown envelopes stuffed with fivers, is damaging in itself, even if wildly inaccurate. At the same time, a society where social security rules may give large numbers of people incentives to misrepresent their position - a nice way of describing fraud - is generating problems which go far beyond the pure money values involved. It is ultimately in no one's interest to live in a society where "cheating" is accepted as an exception, and where only a fool would not bend the rules.

David Miles is Professor of Economics at Imperial College, University of London and an economic adviser to Merrill Lynch.

"Big Bills Left on the Sidewalk: Why Some Nations are Rich and Others Poor". The Journal of Economic Perspectives, Spring 1996.

Eurotunnel set to cut 600 jobs

Michael Harrison

Eurotunnel will announce more than 600 job losses tomorrow as part of a cost-cutting drive aimed at streamlining its operations.

The job cuts, equivalent to a fifth of the total workforce, will mainly fall on part-time and consultancy staff employed on fixed-term contracts to help with the build-up of Le Shuttle services.

Georges Christian Chazot, managing director of operations, told French trade unions the cuts last Friday and the plans will be put formally to Eurotunnel's works council tomorrow.

A total of 657 jobs are expected to go from the 3,000 on Eurotunnel's payroll. A spokeswoman would not confirm details of how the job losses would be split between Britain and France, but she stressed that most of the employees affected would be those on short-term contracts.

Wherever possible, permanent Eurotunnel staff would be redeployed elsewhere, she said.

The job losses are likely to be phased in over the next 12 to 14

months and will be achieved partly by non-renewal of fixed-term contracts.

The shake-up follows a management overhaul at Eurotunnel last week in which Mr Chazot took direct charge of operations and Bill Dix switched to become managing director of Le Shuttle.

During the build-up phase of services Eurotunnel has employed large numbers of contract staff on tasks such as re-engineering the shuttle trains.

But with Le Shuttle and Eurostar services now fully operational and Eurotunnel having captured nearly half the cross-Channel market, the aim is to devote more effort to customer service.

Eurotunnel is also positioning itself to take on the merged ferry service announced earlier this month by P&O and Stena. Details of the new pricing and marketing strategy of the merged service are expected between now and Christmas.

Meanwhile, Eurotunnel does not expect to be able to issue shareholders with documentation on its financial reconstruction until some time next year.



Georges Christian Chazot: Talked to French trade unions about the cuts last week

A guide that fails to show investors the way

Tom Stevenson
City Editor

There is something deeply frustrating about Gillian O'Connor's *A Guide to Stockpicking*. Written by a former editor of the *Investors Chronicle*, the book might have been expected to live up to its title by furnishing some practical advice on picking stocks. It doesn't.

What it does do, with great assurance and style, is take readers on a lively tour around the world of investment. It discusses poppy matters of investment psychology and arcane matters such as chartism and measured ease. But ultimately the book leaves you feeling short-changed - you still don't know, as the introduction promises you will, which of the thousands of stocks swimming before your eyes on a share price page you should buy.

Now this might be because Ms O'Connor, one of our most experienced investment journalists, feels it naive or reckless or both to attempt to spell out a simplistic

formula for picking shares. She is sceptical of attempts by, for example, Jim Slater in this country or Michael O'Higgins in the US to do so. But the reader is left worrying that actually it is because she neither cares for nor knows how to buy individual shares.

A Guide to Stockpicking lacks passion. There is none of the pulse-racing excitement felt by anyone who has watched their shares bobbing up and down in what Mr Slater calls "the best game in town". Through her eyes that game comes across as a bit of a chore.

The book is still well worth reading. What Ms O'Connor does as well as anyone is make difficult issues instantly understandable. She combines a breezy manner with intellectual rigour in a thoroughly approachable style. As an investment primer, and a guide to the interlocking relationships between the City, newspapers and companies that make up the backdrop to investment, it is more than accomplished.

Divided into four sections, the guide looks at investment timing,

the tools of the trade and how great investors have used them before attempting to put it all together in three chapters that come as close as this book gets to anything like a prescription.

Along the way there are useful discussions of the significance of directors' dealings, how to use technical analysis charts and how to use company accounts to spot potential disasters. Some of the most interesting chapters discuss the thinking of the giants of investment. There are useful pointers about what to expect and, importantly, what not to, from City analysts and the newspapers that report their views.

It is an indication of the book's ultimate lack of confidence, however, that the final chapter of a work ostensibly dedicated to unit and investment trusts, vehicles specifically designed so that nervous investors can pay someone else to do their thinking for them.

"A Guide to Stockpicking" by Gillian O'Connor, personal finance editor of the FT. Published by Century, £14.99.

IN BRIEF

- In the biggest tax raid in Israel's history, dozens of inspectors yesterday invaded the Jerusalem offices of News Datacom Research, a company wholly owned by Rupert Murdoch, on suspicion of massive tax evasion. A Jerusalem magistrate issued a warrant to question the Australian media magnate if he comes to Israel. The inspectors seized documents and are examining records with the company's lawyers and accountants.
- The managing director, Abraham Peled, and a leading computer expert, Professor Adi Shamir, were among businessmen and academics held for questioning yesterday. A tax authority spokeswoman said News Datacom, which conducts research and development into encryption devices for pay television and data distribution systems, was being investigated for tax evasion and helping others to evade taxes over a seven-year period.
- Israel Radio reported that a sum of half a billion shekels (about £100m) was involved. News Datacom vigorously denied the charges. A statement blamed the company's troubles on "an extortion campaign by former employees who have been sued in the UK for defrauding it of millions of dollars."
- The UK's retail and wholesale sectors are forecasting steady growth in the fourth quarter of 1996, boosted by rising consumer confidence and the Christmas spending spree, according to a survey by Dun & Bradstreet, the business information firm. In the survey of 1,600 managing directors across the private and public sectors, two-thirds of respondents in wholesale and retail businesses expect an increase in new orders, compared with 55 per cent in the third quarter.
- Exeter Investment Group, the fund manager and administrative services provider, is to float on the Alternative Investment Market next month. The company, which made pre-tax profits of £827,320 for the year ending 30 September, has appointed Greig Middleton & Co, the stockbroking firm, as nominated adviser and broker to the issue.
- Foreign & Colonial Ventures, the venture capital firm, is to invest £2.3m in Wagamama, the Japanese-style noodle restaurant chain. Wagamama, which opened its first restaurant in 1992, now operates three in the London area. The cash will allow the chain to expand further in London and elsewhere in the UK.
- Discovery Inns, which owns some 280 pubs across the UK, is to seek a full listing on the London Stock Exchange. The company, which owns The Old Bull at Inkberrow, the model for Radio Four's pub, The Bull, in *The Archers*, was formed in 1992 following the purchase of 223 tenanted pubs from Whitbread. Discovery made pre-tax profits of £3m in the year to September, up 50 per cent on the previous 12 months. The company's float, by way of an institutional placing, will allow Kleinwort Benson Development Capital to realise its original investment.
- Barclays Global Investors is launching a new fund investing in traded-with-profit endowment policies. The fund will be similar to the BZW Endowment Fund, launched in September 1993 with an issue price of 100p and trading at 141p as of last week.
- Samsung Group has entered into takeover talks over Seangyo Motor, the motor subsidiary of Seangyo Group, according to South Korean newspaper reports. Samsung is also believed to have held discussions with Mercedes-Benz, part of Daimler-Benz, which owns 5 per cent of Seangyo Motor, about forming a technical tie-up. Samsung plans to enter the car industry jointly with Nissan Motor from 1998. But reports suggest the technology transfer from Nissan has not been smooth and Samsung has been looking for another partner.

Salary gap gets bigger

Michael Harrison

Pay awards in manufacturing are continuing to decline, suggesting there is little in the way of inflationary wage pressure in the economy to undermine the Chancellor's hopes of achieving sustainable growth.

However, the salary gap between managers and employees is continuing to widen, with managers' pay up by far more than the general pay level during the past 12 months.

The latest figures from the Confederation of British Industry's pay database show that settlements in manufacturing in the third quarter averaged 3.2 per cent, compared with 3.5 per cent in the previous three months.

At the same time, productivity is increasing, with firms reporting a 4.8 per cent improvement in the past 12 months and forecasting a 5.2 per cent increase in the next 12. In the previous quarter, firms reported productivity gains in the preceding 12 months of 4.5 per cent.

Separate figures from a survey by consultants Sedgwick Noble Lowndes showed that managers' pay increased by 5.1 per cent in the past year, compared with a typical increase of around 3 per cent for non-managerial staff. Executives in general management, finance and personnel fared best.

According to the CBI, settlements in manufacturing have been on the decline since October last year, when they hit 3.6 per cent.

Pay awards in the service sector have, meanwhile, remained stable at 3.6 per cent in the second and third quarters.

The largest proportion of settlements in manufacturing - 77 per cent - were in the range of 2.5 per cent to 4.5 per cent while 66 per cent of all awards in service firms were in the same range.

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Painkiller turned killer? John Emsley unravels the mystery of paracetamol

Paracetamol lasts in the body for about six hours, and the average person can take 24 paracetamol tablets (12 grams), at the rate of two every six

There is also another way of preventing damage due to overdosing: adding methionine to paracetamol tablets. This essential amino acid boosts the amount of glutathione in the

The author is science writer in residence at Imperial College, London.



Early this month Gillian Shephard, the Secretary of State for Education, said that Sussex University isn't in the Ivy League, but then who cares when it can boast three Nobels? By Hugh Aldersey-Williams

The Royal Society makes a deliberate effort to counteract the Ivy League effect, often awarding research professorships to those not working in London, Oxford or Cambridge.

Sir Harry has recently helped to set up the Vega Science Trust which has filmed a number of Royal Institution lectures for the BBC. Dr Walton has worked on ambitious projects

But most important were the personalities. Professor Martin and Professor Cornforth went to Sussex because of the attraction of working with others whom they admired. Sir Harry came back from America at the

This, in turn, provided a means for the scientists to initiate new research. So began Sir Harry's collaboration with Dr Walton, who had pioneered

wrote in an article, "Sadly, this and other courses have been 'regulated' out of existence by bureaucrats who have little understanding of how student research expertise is brought to maturity and no awareness of

The writer's book, 'The Most Beautiful Molecule', describing the Nobel prize-winning discovery of buckminsterfullerene is published by Aurnum £18.99.



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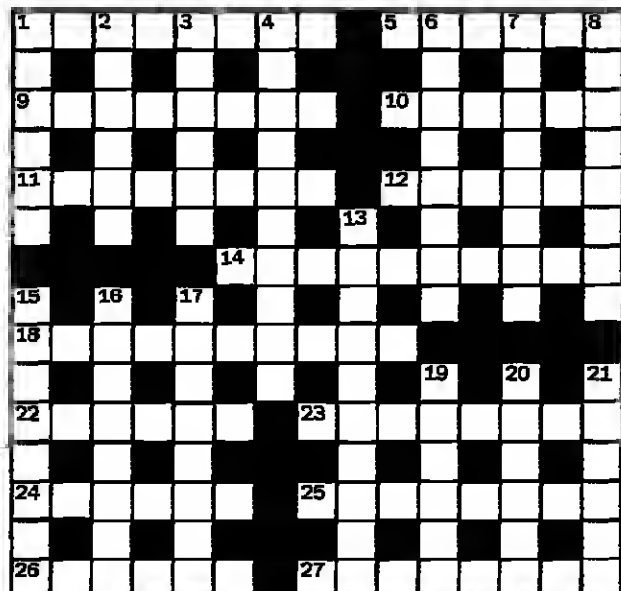
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ACROSS

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|----|--------------------------|----|---------------------------|
| 1 | Girl has bearing showing | 24 | entertainment site (10) |
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| 5 | Flat? Onset of slopes | | converge (10) |
| | provides relief (6) | 22 | Prompt judgment |
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| 10 | An arm of espionage? | 24 | Slackening strong fab- |
| | (6) | | ric, wife's liberated (6) |
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